File No. 229(C)

19 31.

Collection No. (2)

Mysore Residency

Bangalore.

(10)

Pros. Serial Nos.

Subject.

General circulars of the Central Board of Revenue.

(1932)

Previous References.

Later References.

F.No.634 of 1934.

97.—(Blue).

MFP—168S&P—(M-184)—11-8-34—60,000.

NOTES AND PRECIS.

FILE No.229(c) 1931.

Section. File No.

Heading. Serial No.

NOTES.

DEPT. BRANCH.

Pros. 19 . Nos.

Subject.

General circulars of the Central Board of Revenue.

Notes and Orders.

SGPI—FP—379DCFMis.—4-12-24—2,00,000.

Rtc
S.N.3

D.O. letter D.A.Dis.No.623-I.T./31, dated the 16th January, 1932, from the Central Board of Revenue.

A copy of the p.u.c. may be forwarded to the Collr. and Assistant Commissioner of Income-tax.

Draft endt. submitted.

A.Narainsami
11 2 32

Issue and Submit to Secy for information

S.N.4

Issued No.1294, dated the 19th February, 1932 and submitted.

A.Narainsami
20.2.32

Secretary.
(in rotation)

P.U.C.I
S.N.5

Endt. D.Dis.No.111-I.T./32, dated the 20th Feby.,1932, from the Secy., Central Board of Revenue.

P.U.C.II
S.N.6

Endt. C.No.185-I.T./32, dated the 24th Feby., 1932, from -do-.

Draft endt. submitted.

A.Narainsami
9.3.32

Issue.

1673

S.N.7

Issued: No.1872 dated the 14th March, 1932.

p.v.c.

Circular No.6 of 1932/R.Dis.No.28-I.T./32, dated the 15th March, 1932, from the Secretary, Central Board of Revenue.

Draft endorsement is submitted for approval.

16/6/32

16/6

Issued No.4124, dated the 23rd June, 1932.

P.U.C.I

Endorsement No.14/R.Dis.No.865-I.T.31, dated the 18th April, 1932, from the Joint Secretary to the Government of India, Finance Department (Central Revenues).

P.U.C.II

Endorsement C.No.23/146-I.T./32, dated the 12th May, 1932, from the Secretary, Central Board of Revenue.

Draft endorsement is submitted..

13-6-32

1326

S.N.1

Endorsement No.20-C.No.335-I. T./32, dated the 27th April, 1932, from the Joint Secretary to the Government of India, Finance Department Central Revenues, New Delhi.

S.N.2

Endorsement R. Dis. No.26/335-I.T./32, dated the 19th May, 1932, from the Joint Secretary to the Government of India, Finance Department (Central Revenues) New Delhi.

S.N.3

D.O.C.No.335-I.T/32, dated the 12th May, 1932, from the Member, Central Board of Revenue, Simla.

---

(1) A copy each of /P.U.Cs I to III may be forwarded to the Collector and Assistant Commissioner of Income-tax.

Draft endorsement is submitted for approval.

10-6-32

Supdt.

11/6

Read 11/6/32

S.N.4 Issued No,3960 dated the 16th June,1932.

S.N.5. ~~P.U.C.~~

Telegram No.335 IT/32, dated the 23rd July, 1932, from the Central Board of Revenue,

(2) May be communicated to the Collector and Assistant Commissioner of Income-tax, in continuation of this office endorsement No.3960, dated the 16th June, 1932.

(L)

Draft submitted.

25-7-32

25/7

4-1

S.N.6.

D.O. R.Dis.No.273-I.T/32, dated the 21st May, 1932, from the Central Board of Revenue, Simla.

Draft d.o. submitted.

23.6.32

Supdt.

2576

2816

Issued No, 4269 dated the 28th June, 1932.

Circular No.17 of 1932/R.Dis.No.510-I.T./32,
of
dated the 21st June, 1932, from the Central Board of Revenue.

Draft endorsement submitted.

P.U.C. I — Notification No.33, dated the 11th June, 1932, of the Central Board of Revenue.

" II — Notification No.34, dated the 18th June, 1932

-do- -do-

" III — Notification No.35, dated the 18th June, 1932,

-do- -do-

" IV — Notification No.36, dated the 25th June, 1932,

-do- -do-

A copy each of the above notifications may be sent to the Collector and Assistant Commissioner of Income-tax.

Draft endorsement submitted.

12-7-32

July

Issued No.4671, dated 16th ~~Sept~~. 1932.

p.u.c I Circular No.18 of 1932
R.Dis.No.574-I.T./32,

" II " No.19 of 1932
R.Dis.No.583-I.T./32,

" III " No.20 of 1932
R.Dis.No.591-I.T./32,

dated the 9th August, 1932, from the Central Board of Revenue.

A copy each of p.u.cs I to III may be forwarded to the Collector and Assistant Commissioner of Income-tax.

Draft endorsement submitted.

M.A. Nayar
23.8.32

Issued No.5742, dated the 29th August, 1932.

F.C.I

Circular No.21 of 1932/R.Dis.No.587-I.T./32, dated the 10th August, 1932, from the Central Board of Revenue.

F.C.II

Circular No.22 of 1932/R.Dis.No.572-I.T./32, dated the 10th August, 1932, from the Central Board of Revenue.

May be communicated to the Assistant Commissioner of Income-tax.

Draft submitted.

31-8-32

Issued No.5882, dated 3-9-32.

~~P.U.C.~~
S.N.7

Endorsement C.No.663-I.T./32, dated the 11th August, 1932, from the Central Board of Revenue.

---

(3)

May be communicated to the Collector and Assistant Commissioner of Income-tax in continuation of our endorsement at slip ('M')

Draft submitted.

23.8.32

24/8/32

S.N.8

Issued No.5834, dated the 1st September, 1932.

S.N-9

D.O.C.No.647-I.T./32, dated the 13th August, 1932, from the Central Board of Revenue.

---

(4)

A copy of the p.u.c. may be forwarded to the Assistant Commissioner of Income-tax in continuation of our endorsement at slip (L).

Draft submitted.

Abayan
27-9-32

27/9

S.N 10

Issued No. 6013, dated 8-9-32.

2

~~I.T.O.~~
SN 11

Notification No.38 dated the 13th August, 1932, of the Government of India, Finance Department, (Central Revenues).

---

(5)

A copy may be sent to the Collector and Assistant Commissioner of Income-tax.

Draft submitted.

K P Nayar
10-9-32

10.9.32

SN 12

Issued No.6260, dated the 17th September, 1932.

P.U.C.I

Circular No.23 of 1932/R.Dis.No.404-I.T./32, dated the 17th August, 1932, of the Central Board of Revenue.

P.U.C.II

Circular No.24 of 1932/C.No.595-I.T./32, dated the 20th August, 1932 of the Central Board of Revenue.

Draft submitted.

14.9.32

14/9

Issued No.6337, dated the 20-9-32.

~~P.U.C.~~
S-N 13

(6)

Corrigendum C.No.647-I.T./32, dated the 2nd September, 1932, from the Central Board of Revenue.

A copy of the p.u.c. may be forwarded to the Collector and Assistant Commissioner of Income-tax in continuation of our endorsement at slip (a) .

Draft submitted.

19.9.32

19.9.32

S.N.14

Issued No.6439, dated 23-9-32.

S.N.15
~~P.U.G.~~

Notification No.42, dated the 10th September, 1932, of the Government of India, Finance Department (Central Revenues).

---

(7)

Draft submitted for approval.

24-9-32

S.N.16

Issued No.6694, dated 4-10-32.

S.N.11
p.u.c.

Corrigendum R.Dis.No.687-(i)-I.T./32, dated the 19th September, 1932, from the Central Board of Revenue.

Please see Slip S.

The corrections have been carried out.

A copy of the p.u.c. may be forwarded to the Collector and Assistant Commissioner of Income-tax.

Draft submitted.

7-10-32

1.X.'32

Issued No.6806, dated 7-10-32.

P.L.E.
6-N17

(8)

Notification No.42, dated the 10th September 1932 of the Finance Department.(Central Revenues), Simla.

This is only a copy of the Notification at slip Y.

No action on p.u.c. May be filed.

S.N.13
P.U.cI

Circular No.26 of 1932, /R.Dis.No.701-I.T./32, dated the23rd September, 1932, of the Central Board of Revenue.

S.N.14
P.U.cII

Endorsement D.Dis.No.836-(i)-I.T./32, dated the 21st September, 1932, with enclosure, from the Secretary Central Board of Revenue.

A copy each of the p.u.cs I & II may be forwarded to the Collector and Assistant Commissioner of Income-tax.

Draft submitted.

Please check my addition.

Issued No.7234 dated the 24th October, 1932.

P.U.C.

Notification No.45, dated the 24th September, 1932, of the Secretary, Central Board of Revenue, Simla.

A copy may be sent to the Collector and Assistant Commissioner of Income-tax.

Draft submitted.

13.10.32

13/X

Issued No.7062, dated 20th October, 1932.

P. U. C. I

Circular No.28 of 1932/R.Dis.No.881-I.T./32, dated the 20th October, 1932, from the Central Board of Revenue.

P. U. C. II

Circular No.29 of 1932/C.No.573-I.T./32, dated the 20th October, 1932, from the Central Board of Revenue.

Draft endorsement submitted.

5/11/32

Issued No.7644, dated 12-11-32.

S.N.18
P.U.C.

(9)

D.O.C. No.1036-I.T./32, dated the 2nd December, 1932, from Sir Alexander Tottenham, Member, Central Board of Revenue.

Draft D.O. to the Collector and Assistant Commissioner of Income-tax is submitted.

(Para 9 only)

P. L. C.

Notification No.53, dated the 12th November, 1932 of the Central Board of Revenue.

A copy of the notification may be sent to the Collector and Assistant Commissioner of Income-tax,

Draft submitted.

25.11.32

D.O.C.No.1036-I.T./32.

CENTRAL BOARD OF REVENUE.
New Delhi, the 2nd December, 1932.

My dear Kirkbride,

INSURANCE COMPANIES - LIFE - ASSESSMENT OF - INTEREST ON SECURITIES BELONGING TO - RATE OF TAX.

Finance Department (Central Revenues) Notification 42, dated 10.9.32.

Please let us know whether your officers have treated the notification quoted above as applicable to the assessment of Insurance Companies.

2. If so, they should not do so. The Notification relates to the rate of tax applicable to interest paid on securities in an assessee's "previous year", whereas Insurance Companies are not assessed on the income of the "previous year", but on the results of a periodical actuarial valuation.

Yours sincerely,
A. Goldenhuys
2.12.32.

THE OFFICE RESIDENT MYSORE
BANGALORE.
No. 10974.

To

Captain G.Kirkbride, (Or Successor)
Secy. to the Hon'ble the Resident and
Commissioner of Income-tax, Mysore,
Bangalore.

H.A.

D.O.No.67 5th January, 1933.

S.N.15

INSURANCE COMPANIES - LIFE - ASSESSMENT OF - INTEREST ON SECURITIES BELONGING TO - RATE OF TAX.

S.N.16.

Finance Department (Central Revenues) Notification No.42, dated the 10th September, 1932 - My endorsement No.6694, dated the 4th October, 1932.

---

(11)

S.N.12.

Para 10 cancelled

My dear Cooke,

I forward herewith a copy of a demi-official letter No.D.O.C.No.1036-I.T./32, dated the 2nd December, 1932, from Sir Alexander Tottenham. Please let me know whether in the Station the notification, referred to, has been treated as applicable to the assessment of Insurance Companies.

Yours sincerely,

O/C

G.H.Cooke, Esq., M.C., I.C.S.,
Assistant Commissioner of Income-tax,
Civil & Military Station, Bangalore.

4/1/33.

MVS

Office of the Assistant Commissioner of Income-tax, Civil & Military Station, BANGALORE, Dated 9th January 1933.

OFFICE OF THE RESIDENT IN MYSORE. BANGALORE. 11 JAN. 1933 Regd. No. 2824 Filo. No.

My dear Kirkbride,

Insurance companies - Life - Assessment of interest on securities belonging to - Rate of Tax - Finance Department Central Revenue's Notification No.42, dated 10th September 1932 - Your D.O. No.67 dated 5th January 1933.

There is no insurance company with its head-office in Bangalore. There are only branch businesses with head-offices in British India where assessments are made on the whole profits including those of the branches in the station.

Para 2 of the D.O. from the Central Board of Revenue is however noted.

To

Captain G. Kirkbride,

Secretary to the Hon'ble the Resident in Mysore & Commissioner of Income-tax,

BANGALORE.

Please see paragraphs 10 - 12.ante.

Draft reply to the Central Board of Revenue is submitted.

Draft.

No. 782. Dated 30th Jan. 933.

From

The Secretary to the Resident.

To,

A.H. Lloyd, Esq., C.I.E., I.C.S.,
Member,
Central Board of Revenue,
New Delhi.

INSURANCE COMPANIES - LIFE - ASSESSMENT OF - INTEREST ON SECURITIES BELONGING TO - RATE OF TAX.

Finance Department (Central Revenues) *Notification No. 42, dated the 10th September, 1932 - Sir Alexander Tottenham's D.O.C.No.1036-I.T./32, dated the 2nd December, 1932.

D.O.

My dear Mr. Lloyd,

There are no insurance companies with head offices in the Civil and Military Station, Bangalore. There are only branch businesses with head offices in British India where assessments are made on the whole profits including those of the branches in the Station. The

instructions

S.N.15(Y)

*Para 10 of notes.

instructions contained in paragraph 2 of the Board's * letter have, however, been noted.

Yours.

* Para 10 of note

CORRESPONDENCE.

OFFICE OF THE CHIEF COMMISSIONER
- 6 JAN 1932
Rcd. 96

D.Dis.No.391-I.T./31.

CENTRAL BOARD OF REVENUE.

New Delhi, the 24th December 1931.

MEMORANDUM.

Indian Income-tax Act, XI-22 - Section 19A - Dividends - Returns by Principal Officers of Companies - 1930-31. Board's memorandum C.No. 391-I.T/30, dated 11th December 1930.

It has been noticed that the remarks made by the Income-tax Officers forwarding returns under Section 19A to the All-India Collating Officer against each shareholder, such as "the officer concerned is being informed" "assessed here" or "assessable here" did not clearly establish that the dividends in question had been or would be taken into consideration. He had, therefore, to prepare schedules of all the dividends, leaving it to the Income-tax Officers concerned to make the necessary use of them.

2. It would facilitate work and obviate the unnecessary issue of some schedules if the Income-tax Officer forwarding the return made a note that the amount in question had been or would be taken into consideration. Commissioners of Income-tax are requested to issue instructions accordingly to their Income-tax Officers.

3. Some companies and Income-tax Officers forwarding the returns omit to state the "place of assessment" of the Company. The dividends shown in the Returns were found to relate both to non-residents and to residents, but mostly to the former. Information in such cases had, therefore, to be sent to the Commissioners of Income-tax of the provinces where the companies are situate. Commissioners of Income-tax are requested to report to the Board how they disposed of such cases to assist the All-India Collating Officer in forwarding information in future years. The question whether a column "place of assessment" should be added in the form of return under Section 19A is under the consideration of the Board.

4.....

4. There is still a tendency to submit unnecessary returns. Returns were received from Companies showing dividends of less than Rs.10,000. Even a dividend of Rs. -/15/3 was shown in one return, while another return contained 7 non-resident shareholders each of whom received Rs.250/- Companies should be asked not to include in their returns the names of shareholders who have received dividends of less than Rs.10,000 in a year.

5. In some returns the same figure was given under both the heads 'Net' and 'Gross' dividends.

6. Several persons shown as non-residents were actually found to be residents. Greater care should therefore be exercised in scoring out the word "Resident" or "Non-resident" from the heading of the return.

Ram Nath
28-12-31

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

BRS.28/12.

D.Dis.No.391(i)-I.T./30.
CENTRAL BOARD OF REVENUE.
NEW DELHI, the 9th January 1932.

Memorandum.

Indian Income-tax Act, XI-22 - Section 19A - Dividends - Returns by Principal Officers of companies - Board's memorandum D.Dis.No.391-I.T./~~30~~ 31, dated the 24th December 1931.

Part I.

It is requested that the following paragraph may be substituted for paragraph 3 of the Board's memorandum quoted above:-

"3. Some companies and Income-tax Officers forwarding the returns do not state the "place of assessment" of the shareholders. The dividends shown in the returns were found to relate both to non-residents and to residents shareholders, but mostly to the former. Information in such cases had therefore to be sent to the Commissioners of Income-tax of the provinces where the companies are situate. Commissioner of Income-tax are requested to report to the Board how they disposed of such cases in order to assist the All-India Collating Officer in forwarding information in future years. Income-tax Officers should also be instructed to furnish information relating to the "place of assessment" of the shareholders wherever it is possible to do so when forwarding the Returns under Section 19A."

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
18 JAN. 1932
Regd. No. 577
Ir No. 2259/31

Ram Nath
11-1-32
Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

Please circulate to all the Officers of the file.

R.N.R.
11.1.32..

P.R.C. I

1. Memo.D.Dis.No.391-I.T/31, dated 24-12-1931, from the Central Board of Revenue.
2. Memo. D.Dis.No.391(i)-I.T/30, dated 9-1-1932, from the Central Board of Revenue.

P.R.C. II

No 1270.

18th Feby 1932

A copy each of the marginally noted papers is forwarded to the Collector and Assistant Commissioner of Income tax, Civil and Military Station; Bangalore, for information and guidance

for Secy. to the Resident
and
Commissioner of Income-tax.

P. Narainoam
11. 2. 32

D.O.No.A.No. 623-I.T./31.

CENTRAL BOARD OF REVENUE.

New Delhi, the 16th January 1932.

My dear Vachha,
Strong

Indian Finance (Supplementary and Extending) Act, 1931- Government servants whose salaries are liable to a 10 per cent. cut- Surcharge- Exemption from.

Bombay
Bengal

Your D.O.Adm. 318/31, dated 9-1-1932.
Your D.O. No. 12615 C.T. dated 6-1-1932.
21/8

We are issuing an amendment to our previous Notification making it clear that salaries drawn in 1930-31 by officers whose salaries are now subject to the cut are exempt from the surcharge on super-tax in the year 1931-32.

2. Where an assessee has (say) an income of Rs.5,000 from investments and an income of Rs.40,000 from salary the Rs.30,000 exemption for this purpose should be set off first against the non-salary income, and the balance against the salary, so that there will be Rs.15,000 liable to super-tax all of which will be regarded as salary and exempt from surcharge.

Yours sincerely,

Sd/- A. Tottenham.
16-1-32.

To

Khan Bahadur J.D. Vachha, C.I.E.,
Commissioner of Income-tax, Bombay.
F.W. Strong, Esq., I.C.S.,
Commissioner of Income-tax, Bengal.

Copy forwarded to other Commissioners of Income-tax.

By order, etc.,

16-1-32
Secretary,
Central Board of Revenue.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
26 JAN. 1932
No. 864

D.O.No.
18.1.32.

Rec.

D.A.Dis.No.623-I.T./31, dated the 16th January, 1932, from the Central Board of Revenue.

No 1294
Civil

Dy 4th Feby 1932

A copy of the marginally noted paper is forwarded to the Collector and Asst. Commissioner of Income-tax, Civil and Military Station, Bangalore, for information and guidance.

12/2

for Secy. to the Resident
and
Commr. of Income-tax.

T. Narainoamy
11 2.32

7/2

12/2

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
18 JAN. 1932
Regd. No. 579

Circular No. 1 of 1932.
R.Dis.No.927-I.T./30.

CENTRAL BOARD OF REVENUE.

NEW DELHI, the 9th January 1932.

Allowances in assessing income from business - Depreciation allowance - Indian Income-tax Act, XI-22 - Section 10(2)(vi) - "Original cost to the assessee" - Succession - Calculation of allowance in cases of -

---

Saraspur Mills Co., Lt., Ahmedabad, Versus Commissioner of Income-tax, Bombay (Civil Reference No.3 of 1931, High Court of Bombay).
Commissioner of Income-tax, Madras, Versus Messfs. Massey and Co., Ltd., (III Srinivasan's Income-tax Cases, page 302).

The Government of India have decided that, except within the jurisdiction of the High Court of Madras, the Bombay Ruling in the case of Saraspur Mills Co., Ltd., in regard to the correct method of caluclating depreciation where there has been a succession to a business, should be followed. That is to say, depreciation is to be calculated in accordance with what appears to be the plain meaning of Section 10(2)(vi) of the Indian Income-tax Act on the cost to the successor and not on the cost to the predecessor.

Ram Nath
12-1-32

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

No. 1225

Office of the Resident in Mysore,
Bangalore, 17th February, 1932.

Copy forwarded to the Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

R.N.R.
12.1.32.

for Secy. to the Resident
& Commr. of I.T.

P. Narasimham
11.2.32

D.Dis.No.111-I.T./32.

CENTRAL BOARD OF REVENUE.

NEW DELHI, the 20th February 1932.

From

Rai Bahadur Pandit Ram Nath, B.A.,

Secretary, Central Board of Revenue,

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
29 FEB. 1932
Regd. No. 2062
Rec'd. 7-3-32

To

The Commissioner of Income-tax, Bombay.

Sir,

Indian Finance (Supplementary and Extending) Act, 1931 - Surcharge - Classification of - Form No.I.T.30 - Annual Returns IV and V.

Your letter No.Anl.R.66/31., dated the 16th February 1932.

In reply to your letter quoted above, I am directed to say that it is not necessary to classify collections on account of surcharge in Annual Income-tax Returns, Nos.IV and V. But the figures of collection on account of surcharge should be mentioned in the Annual Administration Report, for income-tax and super-tax separately.

I have the honour to be,

Sir,

Your most obedient servant,

Sd/- Ram Nath,

Secretary, Central Board of Revenue.

Copy forwarded to all other Commissioners of Income-tax, for information and necessary action.

By order, etc.,

M C Khanna

for Secretary, Central Board of Revenue.

R.N.R.
22.2.32.

D.O. C.No.185-I.T./32.

Central Board of Revenue

New Delhi, the 24th February 1932.

My dear Sheehy,

Allowances in assessing income from business Depreciation allowance - Indian Income-tax Act, XI-22 - Section 10(2)(vi) - "Original cost to the assessee". - Succession :- Calculation of allowance in cases of.

Your D.O. No.2664/ 11.6/32, dated 17th Feby.1932.

Your Income-tax Officers should follow the Bombay ruling, whether or not the Madras ruling has been followed hitherto.

2. Where the profits of the predecessor are being assessed in the first year after succession, you will have to proceed exactly as if you were assessing the predecessor, and if there is accumulated depreciation it will have to be allowed.

3. The successor is not to be allowed, from first to last, any sum in excess of the cost to him, in the course of the assessments after that in the first year after succession.

OFFICE OF THE RESIDENT IN MYSORE, BANGALORE,
29 FEB. 1932
Regd. No. 2063.
7.3.32

Yours sincerely

Sd: A. Tottenham.

24. 2. 32.

To

J.F. Sheehy, Esq., I.C.S.
Commissioner of Income-tax, Burma.

Copy forwarded to other Commissioners of Income-tax (except Madras).

By order, &c.

24. 2. 32.
Secretary, Central Board of Revenue.

S.

S P S

No. 1872 14th March, 1932

P.u.c.I Endt. D.Dis.No.111-I.T./32, dated the 20th February, 1932, from the Secy., Central Board of Revenue.

P.u.c.II Endt. C.No.185-I.T./32, dated the 24th February, 1932, from -do-.

A copy each of the marginally noted endts with enclosure, is forwarded to the Collr. & Assistant Commr. of Income-tax, Civil and Military Stations, Bangalore, for information and guidance.

for Secy. to the Resident.

T. Narainoam
9.3.32

12/3

D.O.C.NO.1022-I.T./29.

CENTRAL BOARD OF REVENUE
New Delhi, the 1st March, 1932.

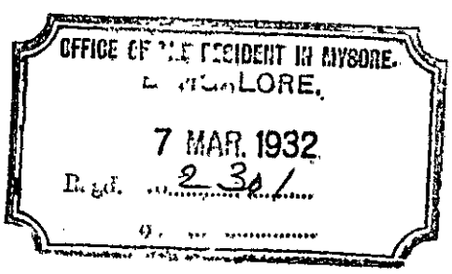
My dear Muir,

INDIAN INCOME-TAX ACT, XI OF 22 - AMENDMENT OF - CARRYING FORWARD OF LOSSES.

Your letter C.No.35931/I.T., dated 25.2.32.

Please furnish figures separately for the 'lower incomes' when reporting the estimated loss that "carrying forwardd losses" would have involved.

Yours sincerely,
Sd. A.Tottenham.
1.3.32.



G.B.F.Muir, Esq., I.C.S.,
Opium Agent & Commissioner of Income-tax,
United Provinces.

Endst. C.No.1022-I.T./29.

Copy forwarded to all other Commissioners of Income-tax.

By order, etc.,
1.3.32.
SECRETARY. CENTRAL BOARD OF REVENUE.

M.A.

D.O.C.NO.779-I.T./31.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
7 MAR. 1932
Regd. No. 2332
File No.

CENTRAL BOARD OF REVENUE.
New Delhi, the 3rd March, 1932.

My dear Pearce,

INCOME-TAX - SUMMARY ASSESSMENT - FORM OF DEMAND.

Your D. O.No.34-14/31, dated 29.2.32.

I think you have overlooked the fact that when the assessee receives the assessment demand notice, 3 courses are open to him (not two only) namely:-

(a) He may sit tight, when the assessment becomes final and he has no appeal.

(b) He may move the Income-tax Officer <u>without making a return</u> to revise or cancel the assessment. The Income-tax Officer's order on this application will be final and the assessee will have no appeal, or

(c) He may make a return. Then the ordinary procedure must be followed.

Yours sincerely,

Sd. A.Tottenham.
3.3.32.

N.R.Pearce, Esq.,
Commissioner of Income-tax,
Punjab, N.W.F. & Delhi Provinces.

Endst. C.No.779-I.T./31.

Copy forwarded to all other Commissioners of Income-tax.

By order, etc.,

3.3.32.
SECRETARY, CENTRAL BOARD OF REVENUE.

M.A.

S. 24 II

D.O. C. No. 24-I.T./32. CENTRAL BOARD OF REVENUE,

New Delhi, the 9th March 1932.

a
1413

My dear Vachha,

Indian Income-tax Act, XI-22 - Sections 18(2), 58E and 56F(1) - Annual accretion - Deduction of tax at source.

Your D.O.No.P.F.101/31, dated 26.2.32.

My D.O. R.Dis.No.24-I.T./32, d/- 19.1.32.

I fell into an error in my D.O. quoted above Interest which is paid by the Fund can clearly not be treated as 'salary' because the Fund is not the employer. I must apologise for misleading you.

Yours sincerely,

Sd: A. Tottenham.

9. 3. 32.

To

Khan Bahadur J.B. Vachha, C.I.E.,
Commissioner of Income-tax,
Bombay.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
14 MAR. 1932
Regd. No. 2568
Encl. No.

Copy to other Commissioners of Income-tax.

By order, &c.

9. 3. 32.

Secretary, Central Board of Revenue.

A193 S-N-12

D.O. R. Dis. No. 24-I.T./32. CENTRAL BOARD OF REVENUE,

New Delhi, the 14th March 1932.

My dear Sheehy,

Indian Income-tax Act, XI-22 - Sections 18(2), 58E and 58F(1) - Annual accretion Deduction of tax at source.

Your D.O. No.3396/II-7/32, dated 29. 2. 32.

My D.O.R.Dis.No.24-I.T./32, d/- 19.1.32.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
18 MAR. 1932
Regd. No. 2758
D. No. .....

Thank you for bringing this ambiguity (if such it be) to my notice. The meaning of (a) in my letter quoted above is (to my mind obviously) that what is to be included in total income is the employee's entire salary and not the salary minus the employee's contribution.

Yours sincerely,

Sd: A. Tottenham.

14. 3. 32.

To

J.F. Sheehy, Esq. I.C.S.
Commissioner of Income-tax, Burma.

Copy to other Commissioners of Income-tax.

By order etc.,

14. 3. 32.

Secretary, Central Board of Revenue.

S.

No. 2303
Enc 4

31st March 1932

A copy each of the marginally noted endts., with enclosure, is forwarded to the Collector & Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, for information.

for Secy. to the Resident
and
Commr. of Income-tax.

G. Narainsami
19.3.32.

I
1. Endt.C.No.1022-I.T/29, dated 1-3-1932, from the Secy., Central Board of Revenue.

II 2. Endt. C.No.779-I.T./31, dated 3-3-1932, from -do-.

III 3. Endt. C.No.24-I.T./32, dated 9-3-1932, from -do-.

IV 4. Endt. R.Dis.No.24-I.T/32, dated 14-3-1932, from -do-.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
25 APR. 1932
Regd. No. 3844
File. No. 228 C/31

Circular No. 6 of 1932.
R. Dis. No. 28-I. T./32.

CENTRAL BOARD OF REVENUE.

New Delhi, the 15th March 1932.

16-6-32

CIRCULAR.

Non-residents—Assessment and refunds to—Procedure—.

S.N. 351 38/18 (R) *Board's letter C. No. 122-I. T./25, dated the 18th December 1926.*

In partial modification of the procedure for the assessment of and refunds to non-residents laid down in the letter quoted above, the Board prescribes the following procedure to be adopted in future :—

(1) Non-residents whose income arises in more than one province, and who are assessed direct, and not through statutory agents under Section 43 of the Act, will be assessed by the Income-tax Officer, Non-residents Refund Circle, Bombay, who will also deal with applications from them for relief, whether under Section 48 or under Section 49 of the Indian Income-tax Act, 1922, or under any Notification issued by the Government under Sec: 60 (1) of the said Act granting relief on account of double income-tax.

Vide S.N.12 37.634/34

(2) Non-residents whose income arises in a single province, and who are assessed direct, and not through statutory agents under Section 43 of the Act, will be assessed by ~~a special Income-tax Officer~~ one or more Special Income-tax Officers appointed by the Commissioner of Income-tax in each province. When he starts assessment proceedings, the special Income-tax Officer should inform the non-resident that if he is entitled to any refund, he should fill in the necessary forms and present his claim to the Income-tax Officer, Non-residents Refund Circle. At the same time, the Income-tax Officer should inform the Income-tax Officer, Non-residents Refund Circle, that he has started assessment proceedings against the person concerned, and that the amount of any refund due should be communicated to him for adjustment against the tax due from the non-resident. If the assessee does not apply for any refund, the special Income-tax Officer should assess him without allowing any adjustment and recover the tax. If the assessee applies for a refund subsequently, the Non-residents Refund Circle should consult the special Income-tax Officer and should not make the refund unless the tax due has already been paid in full.

Vide S.N.9 4 F.624/34 Corr: No Incl II

(3) These instructions will apply equally to local Income-tax Officers assessing non-residents through their statutory agents under Section 43 of the Act, and they also should inform the parties concerned and the Income-tax Officer, Non-residents Refund Circle, as stated above.

Ram Nath
19-5-32
Secretary, Central Board of Revenue.

To all Commissioners of Income-tax (with reference to his letter No. R. B. 373/31, dated the 18th January 1932) [with reference to his letter No. 15244-C. T., dated the 17th February 1932].

( ) Bombay.
[ ] Bengal.

GIPD—1068 CBR—7-4-32—730.

Issue copies to Dept. below.

(2)

Draft.

No. 4124 Ex 1 23rd June 1932

A copy of the marginally noted paper is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, in continuation of the endorsement from this office No.559, dated the 19th January, 1927.

16/6

for COMMISSIONER OF INCOME-TAX.

16.6.32

Circular No.6 of 1932, R.Dis.No.28-I.T./32 dated the 15th March, 1932, from the Secretary, Central Board of Revenue.

S.N.354 (F)

21/6

Recd 17/6/32

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE
25 APR. 1932
Regd. No. 3505
File No. 229-C/31

Cancelled vide Notn. No. 16 21/2/42. S.N.-138 32-40.

FINANCE DEPARTMENT (CENTRAL REVENUES).

NOTIFICATION.

INCOME-TAX.

New Delhi, the 2nd April 1932.

No. 14.—In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor General in Council is pleased to make the following modifications in respect of income-tax in favour of income on which income-tax has been charged both in British India and in Ceylon, namely:—

(1) In this notification—

(*a*) the expression "Ceylon tax" has the meaning assigned to it in section 45(4)(*b*) of the Ceylon Income-tax Ordinance 1932 (2 of 1932),

(*b*) the expression "Indian income-tax" has the meaning assigned to it in clause (*a*) of section 49(2) of the Indian Income-tax Act, 1922 (XI of 1922).

(2) If any person, who has paid Indian income-tax for any year on any part of his income, proves to the satisfaction of the Income-tax Officer that he has paid Ceylon tax for the corresponding year in Ceylon on the same part of his income, he shall be entitled to the refund of a sum equal to half the Ceylon tax calculated on that part of his income on which relief is admissible under the Ceylon Income-tax Law, or to half the Indian Income-tax on the same part of his income whichever is less.

(Vide Notification No. 54 R. dated 26-11-32)

To paragraph (2) of the said notification of income-tax shall be added, namely:—

"Provided that where any person is entitled to a further relief in British India on that part of his income on which relief is admissible under the Ceylon Income-tax law on account of its having been also taxed in some other country besides Ceylon, the relief in respect of the Ceylon tax shall not exceed the difference between half the Indian Income-tax and such further relief as may have been granted in British India owing to that part of his income having been taxed in some other country besides Ceylon".

(Vide Finance Dept. Notification No. 2-R. dated 13-5-33.)

Such application may be presented by the applicant in person or by a duly authorised agent or may be sent by post, and shall be in the following form—

Application for relief from double income-tax under Notification No. dated

I, of
do hereby state that I have paid Ceylon tax amounting to Rs. for the year ending 19 on an income of Rs. and that Indian $\frac{\text{income-tax}}{\text{income-tax and super-tax}}$ of Rs. has also been paid on the same income * part of the same income amounting to Rs. I now pray for relief of a sum of Rs. under Notification No. dated to which I am entitled. My income from all sources to which this Notification applies during the "previous year" ending on the 19 amounted to Rs.

only—see Return of income $\frac{\text{attached}}{\text{already submitted}}$.

Signature _____

I hereby declare that what is stated herein is correct.

Signature _____

Dated 19

(4) No claim to any refund of income-tax under this notification shall be allowed unless it is made within one year from the last day of the year in which such tax or the Ceylon tax was recovered whichever is later.

Where the income on which income-tax has been charged differs from that on which super-tax has been charged both amounts must be specified.

A. TOTTENHAM,
Joint Secy. to the Govt. of India.

No. 14/R. Dis. No. 865-I. T./31.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.
Copy also forwarded to the Department of Education, Health and Lands.

By order, etc.,
M. C. Khanna 18-4-32
for *Joint Secy. to the Govt. of India.*

GIPD—10 CBR—7-4-32—395.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
4 MAY 1932
Regd. No. 4468
No. ... ...

FINANCE DEPARTMENT (CENTRAL REVENUES).

NOTIFICATION.

INCOME-TAX.

New Delhi, the 9th April 1932.

No. 20.—In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922), hereinafter referred to as the said Act, the Governor General in Council is pleased to direct as follows:—

(*a*) For the purposes of any assessment to be made for the year ending the 31st March 1933, the rate of income-tax applicable to such part of the total income of an assessee as is derived from salaries or from interest on securities shall be the rate applicable [under the operation of the Indian Finance Act, 1931, read with the proviso to sub-section (1) of section 7 or with sub-section (1) of section 8 of the Indian Finance (Supplementary and Extending) Act, 1931] to a total income equal to that of the assessee;

(*b*) For the purposes of refunds under sub-section (1) or sub-section (3) of section 48 of the said Act in respect of dividends declared during the year ending the 31st March 1932 or of payments made during the said year of interest on securities or salaries, the rate applicable to the total income of the person claiming refund shall be the rate applicable [under the operation of the Indian Finance Act, 1931, read with the proviso to sub-section (1) of section 7 or with sub-section (1) of section 8 of the Indian Finance (Supplementary and Extending) Act, 1931] to a total income of the same amount.

Provided that in either case the rate applicable to such part of the total income of an assessee as is derived from salaries and has been exempted from the operation of section 7 or section 8 of the Indian Finance (Supplementary and Extending) Act, 1931, by the Notification of the Government of India in the Finance Department (Central Revenues) No. 41, dated 26th December 1931, shall be the rate specified in the Indian Finance Act, 1931.

A. H. LLOYD,
Joint Secy. to the Govt. of India.

No. 20-C. No. 335-I. T./32.

Copy forwarded to all Commissioners of Income-tax, Chambers of Commerce and the High Commissioner for India.

By order, etc.,

M. C. Khanna
27.4.32.
for *Joint Secy. to the Govt. of India.*

GIPD—20 FD CBR—25-4-32—962.

CENTRAL BOARD OF REVENUE.

NOTIFICATION.

INCOME-TAX.

Simla, the 7th May 1932.

No. 23.—In exercise of the powers conferred by section 59 of the Indian Income Tax Act, 1922 (XI of 1922) the Central Board of Revenue directs that the following further amendment shall be made in the Indian Income Tax Rules, 1922, the same having been previously published as required by sub-section (*4*) of the said section, namely :—

In Rules 16 and 17 of the said Rules for the figures " 2,000 " wherever they occur, the figures " 1,000 " shall be substituted.

RAM NATH,
Secy., Central Board of Revenue.

C. No. 23|146-I.T.|32.

Copy forwarded to all Commissioners of Income-Tax and Chambers of Commerce.

By order, etc.,

for *Secy., Central Board of Revenue.*

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
17 MAY 1932
Regd. No. 4574.
File No. 229 C/31

H18CBR—960—10-5-32—GIPS

Draft.

No. 4032 Dated 18th June 1932

---

1. Endorsement No.14/R.Dis.No.865-I.T.31, dated the 18th April, 1932, from the Joint Secretary to the Government of India, Finance Department (Central Revenues).

2. Endorsement C.No.23/146-I.T./32, dated the 12th May, 1932, from the Secretary, Central Board of Revenue.

A copy each of the marginally noted papers, with enclosures is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

for Secretary to the Resident
and
Commissioner of Income-tax.

13-6-32

16/6

Read on 15/6/32

16.6.32

26

Q 24/52

2

FINANCE DEPARTMENT (CENTRAL REVENUES).

NOTIFICATION.

INCOME-TAX.

Simla, the 14th May 1932.

No. 26.—In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor General in Council is pleased to direct that the following amendment shall be made in the notification of the Government of India in the Finance Department (Central Revenues), No. 20-Income-tax, dated the 9th April 1932, namely :—

SN 1 (K)

In clause (*a*) of the said notification after the words " income of an assessee " the words " other than a company " shall be inserted.

Cancelled vide Notification No. 38A-13/9/32

A. TOTTENHAM,
Joint Secy. to the Govt. of India.

R. Dis. No. 26|335-I. T.|32.

Copy forwarded to all Commissioners of Income-tax and all Chambers of Commerce.

By order, etc.,

M C. Khanna
19. 5-32
for *Joint Secy. to the Govt. of India.*

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
24 MAY 1932
Regd. 4720
File. No.

H22CBR—960—18-5-32—GIPS

OFFICE OF THE RESIDENT IN MYSORE.
Bangalore.
23 MAY 1932
Regd. No. 4737

D.O. C.No.335-I.T/32.
CENTRAL BOARD OF REVENUE.

Simla, the 12th May 1932.

My dear Kirkbride,

Indian Income-tax Act, XI-22—Section 60—Notification under—Salaries and interest on securities received in 1931-32—Rate of tax applicable to.
Notification No.20-Income-tax dated 9. 4. 32.
Notification No.26-Income-tax dated 14..5. 32.

I invite your special attention to the second of the 2 Notifications quoted above. This was issued because otherwise the income of a company might include 3 elements:- (1) a tax-free element, (2) an element liable to income-tax at the rate prescribed by the original Finance Act, 1931, plus the lower surcharge of 12½% imposed by section 8 of the Supplementary and Extending Finance Act, 1931, and (3) an element liable to rate of income-tax prescribed by the original Finance Act, 1931, plus surcharge at 25% imposed by section 9 of the Supplementary & Extending Act., 1931, and it would be impossible to calculate the correct refund to be given in respect of a dividend paid by any company without knowing whether its income included elements (1) and (2) and, if so, what proportion of its total income each of those elements represented and appalling delays in refund work would have been caused by the necessity for ascertaining those particulars in respect of every company.

2. Of course legally the Notification can have no retrospective effect, but in practice your officers should proceed as though it had retrospective effect.

Yours sincerely,
A Rottenburg
12. 5. 32.

Captain G. Kirkbride, (or successor)
Secretary to Hon'ble the Resident and
Commissioner of Income-tax, Mysore,
Bangalore.

GHS.

[R.O. 166 (a).]

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 16th June, 1932.

No. 3960 Enclos 3

A copy each of the marginally* noted papers, with enclosure, is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

1. Endt. No.20-C.No.335-I.T/32, dated 27-4-1932, from the Government of India Finance Deptt, (Central Revenues). P.U.C I (I)
2. Endorsement No.Dis No.26/335-I.T./32 dated 19-5-32, from -do- -do- P.U.C II (J)
3. D.O.C.No.335-I.T/32, dated 12-5-1932, from -do- -do- P.U.C III (K)

S.M. 1—3

for Secretary to the Resident.

Read on 15/6/32

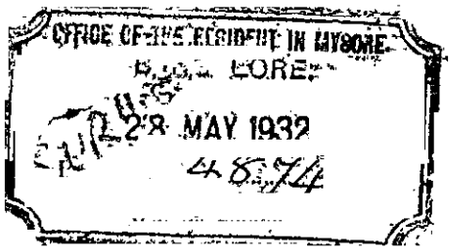
—10-4-1931—5,000—RPB.

15.6.32

Q
27/32

D.O.No.R.Dis.No.1273-I.T./32.

CENTRAL BOARD OF REVENUE.



Simla, the 21st May 1932.

My dear Kirkbride,

Surcharge—Levy of, from Government servants.

Finance Department (Central Revenues) Notification No.41-Income-tax dated 26.12.31 and Notification No.27-Income-tax dated 14.5.32.

I invite your special attention to the second of the two notifications quoted above. You will see that the words "as the case may be" have been omitted from paragraphs 1 and 2 of the schedule attached to the notification first quoted above. The effect of this is that the benefit of exemption from the surcharge and income-tax on lower incomes both in 1931-32 and in 1932-33 extends to all Government servants whose salaries are cut at all in either year.

Yours sincerely,

R Kirkbride

21. 5. 32.

Captain G. Kirkbride. (or successor)
Secretary to Hon'ble the Resident and
Commissioner of Income-tax, Mysore, Bangalore.

BS.

Sfoare Offices

FINANCE DEPARTMENT (CENTRAL REVENUES).

NOTIFICATION.

INCOME-TAX.

New Delhi, the 26th December 1931.

No. 41.—In exercise of the power conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor General in Council is pleased to exempt the classes of persons specified in the Schedule hereto—

(*a*) from the operation of section 7 or section 8, as the case may be, of the Indian Finance (Supplementary and Extending) Act, 1931, in respect of income of the year 1931-32 chargeable under the head "Salaries"; and

(*b*) from the operation of section 7 or section 9, as the case may be, of the Indian Finance (Supplementary and Extending) Act, 1931, in respect of income of the year 1932-33 chargeable under the head "Salaries".

SCHEDULE.

Classes of persons exempted.

1. All persons in the service of the Crown in India or holding any office the emoluments of which are defrayed from the revenues of India, whose income of the year 1931-32 or the year 1932-33, ~~as the case may be~~, chargeable under the head "Salaries" is reduced—

(*a*) under the operation of any law, rule, direction or order enacted or made for the purpose of effecting a temporary reduction of pay as an incident in the measures undertaken to meet the existing financial emergency, or

(*b*) as the result of a voluntary surrender made with a like intent and accepted by the appropriate authority.

2. All servants of an eligible Railway Company, as defined in the Explanation hereto attached, whose income of the year 1931-32 or the year 1932-33, ~~as the case may be~~, chargeable under the head "Salaries" is reduced—

(*a*) under the operation of any order of the Railway Company effecting a temporary reduction of pay as an incident in the measures undertaken to meet the existing financial emergency, or

(*b*) as the result of a voluntary surrender made with a like intent and accepted by the Railway Company.

Explanation.—The expression "eligible Railway Company" means a Railway Company which has satisfied the Governor General in Council that it will pay to the Governor General in Council a sum equal to the amount of the new or additional income-tax and super-tax which would have been payable by its servants under the operation of the aforesaid sections of the Indian Finance (Supplementary and Extending) Act, 1931, if the exemption herein contained had not been granted by the Governor General in Council.

A. TOTTENHAM,
Joint Secy. to the Govt. of India.

No. 41/R. Dis. No. 623-I. T./31.

Copy forwarded to all local Governments and Administrations.

Copy also forwarded to the High Commissioner for India; the several Departments of the Government of India; the Financial Commissioner, Railways; the Financial Advisers, Military Finance and Posts and Telegraphs; the Military and Private Secretaries to His Excellency the Viceroy; the Auditor General; the Controller of Civil Accounts; the Controller of Railway Accounts; the Controller and the Deputy Controllers of the Currency; the Mint and Assay Masters; and the Master, Security Printing.

Copy also forwarded to all Accountants General; the Director of Railway Audit; and the Comptroller, Assam; to all Railway Audit Officers under the control of the Director of Railway Audit; to the Chief Accounts Officer, East Indian Railway, Calcutta, and the Deputy Chief Accounts Officer, East Indian Railway, Coaching, Lucknow; the Directors of Army and Commercial Audit; the Examiner of Customs Accounts; and all other Audit Officers.

Copy also forwarded to all heads of departments subordinate to the Central Board of Revenue.

Copy also forwarded to all Chambers of Commerce.

By order, etc.,

M. C. KHANNA,
for *Joint Secretary to the Govt. of India.*

Vide Notification No. 27 dt. 14-5-32.

GIPD—703FD(CR)—29-12-31—3,045.

Spare

FINANCE DEPARTMENT (CENTRAL REVENUES).

NOTIFICATION.

INCOME-TAX.

Simla, the 14th May 1932.

No. 27.—In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor General in Council is pleased to direct that the following further amendment shall be made in the notification of the Government of India, Finance Department (Central Revenues), No. 41-Income-tax, dated the 26th December 1931, namely :—

In paragraphs 1 and 2 of the schedule to the said notification the words " as the case may be " shall be omitted.

A. TOTTENHAM,
Joint Secy. to the Govt. of India.

R. Dis. No. 27|273-I. T.|32.

Copy forwarded to all local Governments and Administrations.

Copy also forwarded to the High Commissioner for India ; the several Departments of the Government of India ; the Financial Commissioner, Railways ; the Financial Advisers, Military Finance and Posts and Telegraphs ; the Military and Private Secretaries to His Excellency the Viceroy ; the Auditor General ; the Controller of Civil Accounts ; the Controller of Railway Accounts ; the Controller and Deputy Controllers of the Currency ; the Mint and Assay Masters ; and the Master, Security Printing.

Copy also forwarded to all Accountants General ; the Director of Railway Audit ; and the Comptroller, Assam ; to all Railway Audit Officers under the control of the Director of Railway Audit ; to the Chief Accounts Officer, East Indian Railway, Calcutta, and the Deputy Chief Accounts Officer, East Indian Railway, Coaching, Lucknow ; the Director of Army Audit ; and all other Audit Officers.

Copy also forwarded to all heads of departments subordinate to the Central Board of Revenue.

Copy also forwarded to all Chambers of Commerce.

By order, etc.,

M. C. KHANNA,
for *Joint Secy. to the Govt. of India.*

H23CBR—3,675—19-5-31—GIPS

Draft.

No 42 69-C-1 29th June 1932

From

The Secretary to the Resident.
and Commissioner of I.T.

To

G.H. Cooke, Esq., M.C., I.C.S.,

Collector and Assistant
Commissioner of Income-tax,

C & M Station, Bangalore.

D.O.

My dear Cooke,

I forward for your information a copy of a demi-official letter R.Dis. No. 273-I.T/32, dated the 21st May, 1932, from the Central Board of Revenue, regarding the exemption from the surcharge and income-tax on lower incomes of all Government servants whose salaries are cut in 1931-32 ~~and~~ or in 1932-33.

P.U.C.

Yours sincerely,

R. Venkatarayan
23.6.32

2-

d 746

CENTRAL BOARD OF REVENUE.

NOTIFICATION.

INCOME-TAX.

Simla, the 11th June 1932.

No. 33.—In exercise of the powers conferred by section 59 of the Indian Income-tax Act, 1922 (XI of 1922), the Central Board of Revenue directs that the following further amendment shall be made in the Indian Income-tax Rules, 1922, the same having been previously published as required by sub-section (*4*) of the said section, namely :—

In the form set forth in rule 17 of the said Rules for the heading of column 12A, the following shall be substituted, namely :—

> " If the employee contributes to a recognised provident fund (Chapter IXA), the amount of the employer's contribution thereto ".

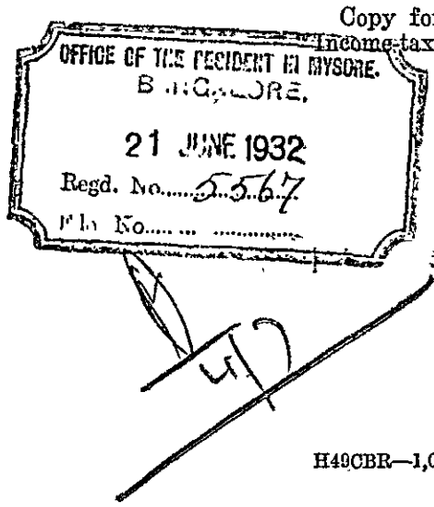
RAM NATH,
Secy., Central Board of Revenue.

R. Dis. No. 33|146-I.T.|32.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.

By order, etc.,

M. C. Khanna
17-6-32.
for *Secy., Central Board of Revenue.*



H49CBR—1,000—16-6-32—GIPS

26

FINANCE DEPARTMENT (CENTRAL REVENUES).

NOTIFICATION.

INCOME-TAX.

Simla, the 18th June 1932.

No. 34.—In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor General in Council is pleased to direct that the following further amendment shall be made in the notification of the Government of India in the Finance Department No. 878-F., dated the 21st March 1922, namely :—

In paragraph (*a*) of the said notification, in clause (5) after the entry " the King's Police Medal ", the following entry shall be inserted, namely :—

" the Indian Police Medal ".

A. TOTTENHAM,
Joint Secy. to the Govt. of India.

R. DIS. No. 34|485-I.T.|32.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.

Copy also forwarded to Home Department and all Local Governments and Administrations.

By order, etc.,

M. C. Idhamma
22-6-32
for *Joint Secy. to the Govt. of India.*

OFFICE OF ... RECEIVED IN SIMLA.
27 JUNE 1932
Regd. 5774
Dy. No. ..... 2298 | 31

H52CBR—1,380—21-6-32—GIPS

CENTRAL BOARD OF REVENUE.

NOTIFICATION.

INCOME-TAX.

Simla, the 18th June 1932.

No. 35.—The following draft of certain further amendments to the Indian Income-tax Rules, 1922, which the Central Board of Revenue proposes to make in exercise of the powers conferred by sub-section (*1*) of section 59 of the Indian Income-tax Act, 1922 (XI of 1922), is published, as required by sub-section (*4*) of the said section for the information of all persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration on or after the 1st August 1932. Any objection or suggestion which may be received in respect of the draft before the date specified will be considered by the said Board.

Draft Amendments.

In the statement of total income in rule 19—

(1) after entry 1. B. the following entry shall be inserted, namely :—

"1. C. Interest on employee's contributions to a recognised provident fund and accumulations thereof to the extent to which such interest is exempt from income-tax [section 58. F. (2)] ",

(2) under the head "Deductions claimed "—

(*i*) after clause " (*c*) " the following clause shall be inserted, namely :—

" (*d*) on account of interest on employee's contribution to a recognised provident fund and accumulations thereof which is exempt from income-tax [section 58 F. (2)] ; "

(*ii*) clause (*d*) shall be re-lettered (*e*).

RAM NATH,
Secy., Central Board of Revenue.

C. No. 35|460-I.T.|32.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.

By order, etc.,

23.6.32.
for *Secy., Central Board of Revenue.*

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
27 JUNE 1932
Regd. No. 5773.
File. No. 229/31

H51CBR—375—21-6-32—GIPS

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
4 JULY 1932
Regd. No. 5967
File No. 224(31)

Circular No. 17 of 1932.
R. Dis. No. 510-I.T.|32.

CENTRAL BOARD OF REVENUE.

Simla, the 21st June 1932.

CIRCULAR.

SUBJECT :—*Indian Income-tax Act, 1922 (XI of 1922)—Section 34—Supplementary Assessment under—Right of appeal against entire assessment—.*

The Board has been asked whether when an assessment or reassessment is made under Section 34 on a person on whose income an assessment under Section 23 has already been made, such person is entitled to appeal in respect of all sources of income to which the assessment under Section 34 relates, even though all or some of those sources were included in the original assessment, and the latter assessment was made under Section 23 (4).

2. The answer is that in dealing with an appeal against an assessment under Section 34, whatever pleas the appellant may put forward the Assistant Commissioner—on the authority of the Rulings in the cases of Pl. M. Pl. Palaniappa Chettiar, Satyendra Mohan Roy Choudhury, Seth Kasinath Bagla, and T. S. T. S. Chettyar Firm (IV. Srinivasan's Tax Cases, pages 196, 447, and 472 and V. Srinivasan's Tax Cases, page 196)—should decline to entertain any plea that involves any reduction of the amount determined at the original assessment, as the amount of the assessee's income from any source that did not escape assessment at the original assessment.

29. 6. 32.
Secretary, Central Board of Revenue.

To

The Commissioner of Income-tax, Bengal, with reference to his demi-official No. 622|2-C.|1-G.T., dated the 11th April 1932.

Copy to all other Commissioners of Income-tax.

L57CBR—730—29-6-32—GIPS

27

Draft.

№ 4624 13th July 1932

Circular No.17 of 1932/R.Dis. No.510-I.T/32, dated the 21st June, 1932; ~~by~~ from the Central Board of Revenue.

A copy of the marginally noted circular is forwarded to the Collector and Assistant Commissioner of Income-tax Civil and Military Station, Bangalore,

for SECRETARY ~~TO THE RESIDENT.~~
+ Commr of I.T.

FINANCE DEPARTMENT (CENTRAL REVENUES).

NOTIFICATION.

INCOME-TAX.

Simla, the 25th June 1932.

No. 36.—In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor General in Council is pleased to direct that the following further amendment shall be made in the notification of the Government of India in the Finance Department, No. 878-F., dated the 21st March 1922, namely :—

In paragraph (*a*) of the said notification in clause (1) for the word 'consul' wherever it occurs, the words "Consul General, Consul, Vice-Consul or Consular Agent" shall be substituted.

A. TOTTENHAM,
Joint Secy. to the Govt. of India.

R. Dis. No. 36|242-I.T.|32.

Copy forwarded to the Foreign and Political Department, all Commissioners of Income-tax and Chambers of Commerce.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
5 JULY 1932
Regd. No. 6001
File No

By order, etc.,

30.6.32.
for *Joint Secy. to the Govt. of India.*

H60CBR—1,170—29-6-32—GIPS

31

Draft.

№ 4731/2-4 16th July 1932

p.U.C.s I & IV

Notifications ~~Nos. 33, 34, 35 & 36,~~ ~~of the Central Board of Revenue.~~

№ 33 dt 11.6.32
№ 34 dt 18.6.32
№ 35 dt 18.6.32
№ 36 dt 25.6.32
of the Central Board of Rev

A copy each of the marginally noted notifications is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

R. 1217

for SECRETARY TO THE RESIDENT.

M. Nayar 12-7-32

Rec'd 18/7
To 15/7
Sent

S

Telegram.

No.335IT/32.

Dated. 23-7-1932.

From - The Central Board of Revenue.

To - The Commissioner of Income-tax, Bangalore.

DO NOT DEMAND ANY ADDITIONAL TAX FROM COMPANIES UNDER FINANCE DEPARTMENT (CENTRAL REVENUES) NOTIFICATION. 26 DATED 14th MAY 1932 BOARD'S R/DIS/26/335/IT/32 PENDING FURTHER ORDERS.

" C O P Y "

Register No. 6635

Dated 25-7-32.

C. INDIAN POSTS AND TELEGRAPHS DEPARTMENT 113

NOTICE.

This form must accompany any inquiry made respecting this Telegram.

Charges to pay.

Rs. As.

0 1

Handed in at (Office of Origin.)	Date.	Hour.	Minute.	Service Instructions.	Words.
				17	50

TO Commissr. Coorg

Recd. here at H. M.

No 335/31/32 do not demand any entitlement tax from companies under Travancore Income Tax (Central Provinces) notification No dated 14th may 1932 Reference 335/31/32 pending further orders

N. B.—The name of the Sender, if telegraphed, is written after the text.

Karim Bux Bros., Printers, Calcutta—1 (B-1)—1-4.30—2,25,000 Bks.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
25 JULY 1932
Regd. No. 6635

25-7-32

IMMEDIATE.

6

Draft.

No 4964
Encl 1

26 July 1932

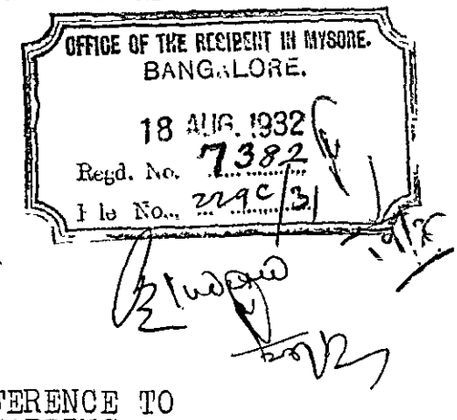
A copy of the marginally noted paper is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, for information and guidance in continuation of ~~xxxxxxxxx~~ endorsement No.3960, dated the 16th June, 1932, from this office.

for SECRETARY TO THE RESIDENT.
and
COMMISSIONER OF INCOME-TAX.

25.7.32

Telegram No.335IT/32, dated the 23rd July, 1932, from the Central Board of Revenue.

CONFERENCE OF COMMISSIONERS OF INCOME TAX 1932.
AGENDA ITEM No.5.



Circular No.18 of 1932.
R.Dis.No.574-I.T./32.

CENTRAL BOARD OF REVENUE.

Simla, the 9th August 1932.

C I R C U L A R.

PRINCIPAL PLACE OF BUSINESS - REFERENCE TO LOCAL GOVERNMENT ON QUESTIONS REGARDING - INDIAN INCOME TAX ACT (XI-22) - SECTION 54- WHETHER PERMISSIBLE-.

The present practice is for the Commissioner to obtain the opinion of the Local Government before he agrees to the transfer of an assessment from one Province to another where the transfer affects the 'Standard figure' for purposes of Devolution Rule 15. This involves the disclosure of information entered in assessment record to the Local Government without which they are not in a position to express any decided opinion on the proposed transfer, and this contravenes the provisions of section 54 of the Act. The question has been raised whether the practice should, therefore, be discontinued?

The general opinion at the Conference which the Central Board of Revenue accepts was that the present practice should be continued.

Ram Nath
9.8.32

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
18 AUG. 1932
Regd. No. 7380
Rele. No. 229-C

647-I.T./32

C.No.~~663-I.T./32.~~

CENTRAL BOARD OF REVENUE.

From

Sir Alexander Tottenham, Kt., C.I.E., I.C.S.,
MEMBER, CENTRAL BOARD OF REVENUE,

To

The Secretary, Bengal Chambe of Commerce, Calcutta.
Bombay Chamber of Commerce, Bombay.
Indian Merchants' Chamber, Bombay.

Camp Calcutta, the 11th August, 1932.

Sir,

FINANCE DEPARTMENT (CENTRAL REVENUES) NOTIFICATION NO.26, DATED THE 14TH MAY, 1932.

My interview with your Income-tax Committee / Chamber on 9.8.32. / 20.7.32. / 25.7.32.

With reference to the discussion on this subject at my recent interview with your Income-tax Committee / Chamber, I have the honour to inform you that the Notification quoted above has been cancelled, and a Notification to that effect will appear in the next issue of the Gazette of India.

2. As soon as it has been published, any sums actually collected under the cancelled Notification will be refunded at once without application. Commissioners of Income-tax are being instructed accordingly.

I have the honour to be,
Sir,
Your most obedient servant,
Sd. A.Tottenham.
11.8.32.
MEMBER, CENTRAL BOARD OF REVENUE.

Endst. C.No.663-I.T./32.
Copy forwarded to all Commissioners of Income-tax for information and guidance. (C.B.R.letter No.335-I.T./32, dated 12.5.32.

A Tottenham
11.8.32.
MEMBER, CENTRAL BOARD OF REVENUE.

[R.O. 106 (a).]

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 18th Sept. 1932.

No. 5884 Enclos. 1

A copy of the marginally* noted paper with enclosure, is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, for information and guidance, in continuation of endorsement No. 4964, dated the 26th July, 1932, from this office.

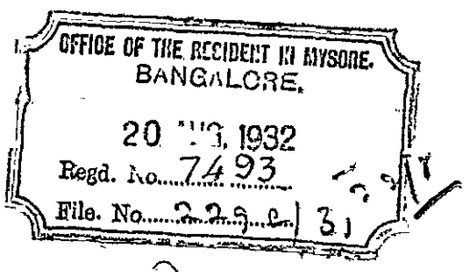
Engt.C. *No. 663-I.T/32, dated the 11th August, 1932, from the Central Board of Revenue.

for Secretary to the Resident.

Commr of I.T

23—10-4-1931—5,000—KPB

Conference of Commissioners of Income-tax—1932—Agenda—Item No. 13.



Circular No. 19 of 1932.
R. Dis. No. 583-I.T./32.

CENTRAL BOARD OF REVENUE.

Simla, the 9th August 1932.

CIRCULAR.

Returns of Income—Copies of—Assessees, Members of Firm or Hindu Undivided Family—Right to obtain—.

Section 76 of the Evidence Act provides that an officer having custody of a *public document* is bound to grant a copy of it to any person who has a right to inspect it. In view of this provision the following questions have been raised :—

(1) Is an income-tax return a public document ?

(2) If so, how is the right to inspect a public document established ?

and (3) Assuming that an assessee has a right to get a copy of his return does this principle extend to members of a Hindu Undivided Family or firm in respect of returns submitted by the family or firm as such ?

2. The Board considers that an Income-tax return is not a public document and that no one has any *right* to inspect or to receive a copy of it. The following persons should however in practice be allowed to do so :-

(*a*) in any case the person who actually made the return ;

(*b*) any Partner (known to be such) in a firm registered or unregistered to whose income the return relates ; and

(*c*) the Manager of a Hindu Undivided Family to whose income the return relates, or any other adult member of such family who has been treated as representing it, that is on whom a notice or requisition has been served under Section 63 of the Indian Income-tax Act (XI-1922).

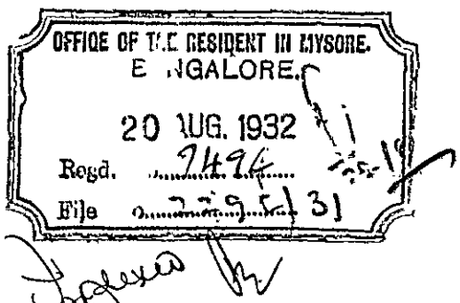
15-8-32.
Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

L97CBR—730—13-8-32—GIPS

Conference of Commissioners of Income-tax—1932—Agenda—Item No. 21.



Circular No. 20 of 1932.
R. Dis. No. 591-I.T./32.

CENTRAL BOARD OF REVENUE.

Simla, the 9th August 1932.

CIRCULAR.

Indian Income-tax Act (XI-22)—Sections 28 and 52—Cancellation of penalty and direction of prosecution—Assistant Commissioner's power.

The High Court of Allahabad in the case of Rai Sahib Hari Kishan Das of Benares have decided that an Assistant Commissioner of Income-tax cannot enhance, under section 31, the penalty imposed by an Income-tax Officer under section 28 of that Act. The question has been raised whether it is open to an Assistant Commissioner to set aside a penalty imposed by the Income-tax Officer under section 28 and direct a prosecution where he finds that instead of a penalty a prosecution should have been resorted to or should he ask the Commissioner of Income-tax to set aside the order under section 33 and then direct the prosecution under section 52 ?

2. There is no doubt that the Assistant Commissioner can cancel the penalty if the *assessee appeals*, but that he should not do so with the intention of subsequently sanctioning a prosecution whether or not it would be legal for him to do so.

3. Whether the Commissioner can cancel the penalty in order to enable the Assistant Commissioner to sanction a prosecution seems doubtful. If any Commissioner wishes to put the point to the test, he may do so.

4. The decision in the case of Rai Sahib Hari Kishan Das need not be followed outside the United Provinces.

15. 8. 32

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

L98CBR—730—13-8-32—GIPS

3-1

4

Draft.

No. 5742 Dated 29th August 1932
Enl-3.

A copy each of the marginally noted papers is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

for SECRETARY TO THE RESIDENT.

23.8.32

P.C. 1 to III

1) Circular No.18 of 1932
R.Dis.No.574-I.T./32,
2) " No.19 of 1932
R.Dis.No.583-I.T./32,
3) " No.20 of 1932
R.Dis.No.591-I.T./32,

dated the 9th August, 1932, from the Central Board of Revenue.

FINANCE DEPARTMENT (CENTRAL REVENUES).

NOTIFICATION.

INCOME-TAX.

Simla, the 13th August 1932.

No. 38.—In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor General in Council is pleased to direct that the following further amendment shall be made in the notification of the Government of India in the Finance Department (Central Revenues), No. 20-Income-tax, dated the 9th April 1932, namely :—

In clause (*a*) of the said notification, the words " other than a company " shall be omitted.

A. H. LLOYD,
Joint Secy. to the Govt. of India.

R. Dis. No. 38|647-I.T.|32.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.

By order, etc.,

Asstt. Secy. to the Govt. of India.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
22 AUG. 1932
Regd. No. 2576
File. No. 22-6-2-3

H101CBR—1,000—16-8-32—GIPS

12

Draft.

No. 6260 Dated 17th Septr. 1932.

A copy of the marginally noted notification is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

10.9.32

for SECRETARY TO THE RESIDENT
and
COMMISSIONER OF INCOME-TAX.

10.9.32

D.I.C. 8/11

Notification No.38, dated the 13th August, 1932 of the Government of India, Finance Department (Central Revenues)

Encl. 10/9.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
24 AUG. 1932
Regd. No. 7575
File. No. 324/19

D.O.C.No.647-I.T./32.

CENTRAL BOARD OF REVENUE.
Camp Calcutta, the 13th August, 1932.

My dear **Captain Kirkbride,**

INCOME-TAX REFUNDS &C.- INTEREST ON SECURITIES, DIVIDENDS &C.

S.N-2. Finance Department (Central Revenues) Notification No.26, dated 14th May, 1932.

S.N-3 My D.O.C.No.335-I.T./32, dated 12.5.32.

I have now to invite your attention to the fact that Notification No.26, dated 14.5.32 referred to in my D.O. quoted above is being cancelled. A Notification cancelling it is being issued this week, I understand. Consequently, the position created by Notification No.20, dated 9.4.32, is restored and the "three-rate" difficulty will have to be faced in dealing with refunds next year.

2. The amending Notification was cancelled because there were protests which seemed to be not unjustifiable against suddenly calling on Companies to pay much larger sums than they had provided for by way of income-tax; and also it appeared that the amendment would lead to various complications in future years when rates of tax were altered.

3. What I specially wish to emphasize is that the amending Notification now cancelled would only have affected refunds next year. This year the position is and has all along been, that there may be 3 rates applicable to different parts of the income of a Company and that in order to calculate refunds to shareholders, it is necessary to find out what portion of the Company's income in the previous yea was derived from tax-free and what from taxed securities respectively. It does not appear to us on further reflection that this need

cause such very serious delays or difficulties as we anticipated at first, because in any case the proportion of the profits derived from tax-free securities has to be ascertained.

Yours sincerely,
A Totterham
13.8.32.

To

Captain G. Kirkbride, (or Successor.)
Commissioner of Income tax,
Civil & Military Station, Bangalore

[R.O. 106 (a).]

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 9th Septr 1932.

No. 6013 Enclos.

A copy of the marginally noted letter, ~~with enclosure~~, is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, with reference to ~~in continuation of~~ this office endorsement No. 3960, dated the 16th June, 1932.

D.O.C. No. 647-I.T/32, dated the 13th August, 1932, from the Central Board of Revenue,

~~dated the~~

~~from the~~

for Secretary to the Resident.

23—10-4-1931—5,000—RPB

6

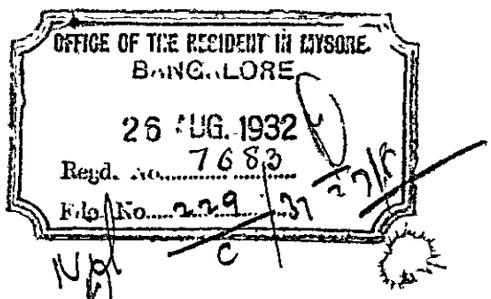
A
1615

5

CONFERENCE OF COMMISSIONERS OF INCOME-TAX, 1932.

Agenda—Item No. 17.

Circular No. 21 of 1932.
R. Dis. No. 587-I.T./32.



CENTRAL BOARD OF REVENUE.

Simla, the 10th August 1932.

CIRCULAR.

Bad debts—When admissible—Section 23 (4)—Assessment made under—Bad debts claimed in subsequent year—.

Where an assessee, who was assessed in ~~1927-28~~ 1928-29-0 under section 23 (4) owing to accounts not being produced, writes off a bad debt which arose in that year in 1930-31 and claims a deduction on that account in 1931-32 and is prepared to produce the accounts of 1927-28 to prove the origin of the debt, should any deduction be allowed ? Is there a presumption that when an assessment is made under section 23 (4) the entire profits have been assessed ?

2. The Board considers that whatever the legal position may be it is reasonable in such a case to treat the entire accrued profits as having been assessed in the earlier year, and to allow the bad debt to be written off in the later year.

3. It has no objection however to a reference on the point being made to a High Court by any Commissioner who holds a contrary view.

19-8-32

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax

L105CBR—750—19-8-32—GIPS

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
27 AUG. 1932
Regd. No. 7684
File No. 229 C/31

Circular No. 22 of 1932.
R. Dis. No. 572-I.T./32.

CENTRAL BOARD OF REVENUE.

Simla, the 10th August 1932.

CIRCULAR.

Indian Income-tax Act, 1922 (XI-22)—Sections 26 and 34—Succession—Income of predecessor that has escaped assessment—Problems relating to.

The following questions have been raised :—

(*a*) An assessment is made under Section 26 (2) in the year 1932-33 on B as successor to A whom he succeeded in 1931-32. It is found that the profits of 1930-31 escaped assessment in the hands of A in 1931-32.

(*i*) Can they be assessed in 1932-33 under Section 34 ?

(*ii*) If so, on whom should the assessment be made—A or B ?

(*b*) In similar circumstances part of the profits of 1930-31 were assessed in 1931-32 and part escaped assessment. The succession took place after the assessment was made in 1931-32.

The same questions arise here as in (*a*) in regard to the application of section 34 to the income that escaped assessment in 1931-32.

(*c*) The circumstances are as in (*b*) above but with the succession there has been a change of " status ". A was an individual. B is a private company.

The same questions arise.

(*d*) The circumstances being as in (*c*) what *rates* are to be applied in making the assessment under section 34, if one can be made—the rates applicable to the income of an individual, or the rates applicable to the income of a company ?

2. Power to assess the successor in respect of profits accruing before he succeeds exists only by virtue of, and to the extent embraced by, the provision in sub-section (2) of section 26 that the assessment shall be made on the person succeeding as if he had been carrying on the business, profession or vocation throughout the previous year, and as if he had received the whole of the profits for that year. Therefore, in all these cases an assessment under section 34 must be made, if at all, on the predecessor, and such assessment can always be made on the predecessor unless this is rendered impossible by the practical reason that the predecessor, as in the case of a dissolved company, has ceased to exist. The applicable rate will of course be the rate applicable to the predecessor.

Cancelled vide C.B.R.'s Circular No. 28 of 1932

15-8-32

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

L102CBR—730—17-8-32—GIPS

Draft. 7

3rd Sept. 1932

No. 5882
Encl 2

A copy each of the marginally noted circulars is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

for SECRETARY TO THE RESIDENT
AND
COMMISSIONER OF INCOME-TAX

---

1. Circular No.21 of 1932/R.Dis.No.587-I.T./32, dated the 10th August, 1932,
2. Circular No.22 of 1932/R.Dis.No.572 I.T./32, dated the 10th August, 1932,

from the Central Board of Revenue.

Ltr 2-9-32

CONFERENCE OF COMMISSIONERS OF INCOME-TAX—1932.

Agenda—Item No. 2.

CIRCULAR No. 23 OF 1932.

R. D. No. 404-I.T./31.

CENTRAL BOARD OF REVENUE.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
2 SEPT. 1932
Regd. No. 7932
File. No. 31

Simla, the 17th August 1932.

CIRCULAR.

Firm—Partnership of, in another firm—Jayadayal Madan Gopal versus *Commissioner of Income-tax, United Provinces—Decision in—Amendment of law suggested.*

The High Court of Allahabad decided in the case of Jayadayal Madan Gopal that a firm cannot legally enter into partnership with another firm. The question has been raised whether it is necessary to amend the Act in order to counteract the effect of this decision. The general opinion expressed at the Conference which the Board accepts was that it is not necessary to do so but that the Ruling should be followed.

2. It must not be forgotten that it does not follow that because a firm is not a partner in another firm, what is described as its share in the profits of such firm is not its income.

3. A further question has been raised whether a firm in which another firm purports to be a partner can be registered for "income-tax purposes". The answer is that it cannot legally be so registered.

26-8-32

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

M116CBR—700—25-8-32—GIPS

CONFERENCE OF COMMISSIONERS OF INCOME-TAX, 1932.

Agenda—Item No. 25.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
2 SEPT. 1932
Regd. No. 7933
File. No. 129 C 31 5/2

Circular No. 24 of 1932.
C. No. 595-I.T.|32.

CENTRAL BOARD OF REVENUE.

Simla, the 20th August 1932.

CIRCULAR.

Indian Income-tax Act (XI of 1922)—Section 22 (4)—Amendment of—Appearance of an agent able to answer material questions.

It was suggested that Section 22 (4) of the Indian Income-tax Act (XI of 1922) should be so amended as to require an assessee who produces his accounts through an agent, to select as agent a person able to answer all material questions arising out of the examination of the accounts. It was argued that this would prevent an obstructive assessee from sending with his accounts an agent who knew nothing about them. The Board was not attracted by this proposal.

2. In connection with this point, however, the question was raised whether the provisions of Section 61 of the Indian Income-tax Act, under which any "assessee" (which presumably includes a potential assessee) who is required to appear before an Income-tax Officer, etc., may do so either in person or by representative, apply to an assessee on whom a summons requiring him to attend in person has been served by an Income-tax Officer exercising the powers conferred on a Court by the Code of Civil Procedure under Section 37 of the Indian Income-tax Act. The answer is that the provisions of Section 61 do not apply where a summons is issued under Section 37. Consequently there is no need to amend the Act as suggested, since the personal attendance of the "assessee" himself can always be enforced if it is desired to do so.

26-8-32
Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

L11SCBR—25-8-32—730—GIPS

10

[R.O. 106 (5).]

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 20th Septr. 1932.

No. 6337 Enclos. 2

P.U.C.I

A copy each of the marginally* noted circulars is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

Circular No. 23 of 1932/R.Dis. No.404-I.T./31, dated the 17th August, 1932, and

Circular No.24 of 1932/C.No. 595-I.T./32, dated the 20th August, 1932, of the Central Board of Revenue.

U.C.II

for Secretary to the Resident.
Commissioner of Income Tax

23—10-4-1931—5,000—KPB

Exd. 19/9.

DW 15/9
Jd 17/9

13

C.No.647-I.T./32.
CENTRAL BOARD OF REVENUE.

Simla, the 2nd September 1932.

CORRIGENDUM.

Finance Department (Central Revenues) Notification No.26, dated 14th May 1932. Board's letter C.No. 663-I.T/32, dated 11th August 1932.

Please substitute the number C.No.647-I.T/32 for the number of the Board's letter quoted above.

3.9.32
Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.
Secretary Bengal Chamber of Commerce
Bombay Chamber of Commerce
Indian Merchants Chamber, Bombay.

[R.O. 106 (a).]

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 23rd Septr. 1932.

No. 6439 Enclos. 1

P.O.C. 8N13

A copy of the marginally noted paper is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore in continuation of endorsement No.5834, dated the 1st September, 1932, from this office.

*Ms. Corrigendum C.No. 647-I.T./32, dated the 2nd September, 1932, from the Central Board of Revenue.

for Secretary to the Resident.
& Commissioner of Income-tax.

23—10-4-1931—5,000—RPB

FINANCE DEPARTMENT (CENTRAL REVENUES).

NOTIFICATION.

INCOME-TAX.

Simla, the 10th September 1932.

No. 42.—In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor General in Council is pleased to direct that the following further amendment shall be made in the Notification of the Government of India in the Finance Department (Central Revenues), No. 20-Income-tax, dated the 9th April 1932, namely :—

For clause (*a*) of the said notification the following clause shall be substituted, namely :—

"(*a*) For the purposes of any assessment to be made for the year ending the 31st March 1933, the rate of income-tax applicable to such part of the total income of an assessee as is derived from salaries or from interest on securities paid in the financial year 1931-32 shall be the rate applicable [under the operation of the Indian Finance Act, 1931, read with the proviso to sub-section (*1*) of section 7 or with sub-section (*1*) of section 8 of the Indian Finance (Supplementary and Extending) Act, 1931], to a total income equal to that of the assessee, and the rate of income-tax applicable to such part of the total income of the assessee as is derived from salaries or from interest on securities paid in any earlier financial year shall be the rate applicable (under the Indian Finance Act for the financial year in which such salaries or interest were paid) to a total income equal to that of the assessee."

A. H. LLOYD,
Joint Secy. to the Govt. of India.

C. No. 42|665-I.T.|32.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.

By order, etc.,

14-9-32
Assistant Secy. to the Govt. of India.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
19 SEPT. 1932
Regd. No. 8450
File No. 425/31.

H132CBR—330—13-9-32—GIPS

[R.O. 106 (a).]

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 4 & 6 Oct. 1932.

No. 1694 Enclos. 1

P.U.C. 8N5

A copy of the marginally noted notification is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

*Notification No.42 dated the 10th September, 1932 of the Government of India, Finance Department Central Revenues.

for Secretary to the Resident.
Commissioner of Income-tax.

23—10-4-1931—5,000—EPB

Ld 28/9 Secy Ext. 30/9.

24-9-32

[illegible]

[illegible]

Dated the 19th September 1932

[illegible]

Bad debts - Non admissible - Section 23 (4) - Amendments made under - the above Circular - in memorandum vouchers bearing - No. 21 of 1932 - dated the 10th August 1932 - Ind. No. 1927-1.T.(S)".

For "1927-28" in the first line of the circular quoted above please substitute "1928-29" and after the word accounts in the second line please add "for 1927-28".

After the words "last year" in the second line please add "1927-28".

Secretary, Central Board of Revenue.

[illegible]

1—

Draft.

No. 6806 cc-1 Dated. 7th Oct 1932

A copy of the undermentioned paper is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, in Continuation of endorsement No. 5882 dated 3-9-32 from this Residency

S.N.T

1.X.32

for SECRETARY TO THE RESIDENT
and
COMMISSIONER OF INCOME-TAX.

Corrigendum R.Dis.No.587-(i)-I.T./32 dated the 19th September, 1932, from the Central Board of Revenue

S.N.11
p.v.c.

13

Circular No. 26 of 1932.
R.Dis. No. 701-I.T./32.
CENTRAL BOARD OF REVENUE.
Simla, the 23rd September 1932.

Circular.

Indian Income-tax Act (XI-22) - Section 9(1)(IV) - 'charge on property' - Annuities - Board's Circular No. 23 of 1930, R.Dis.274-I.T./30, dated the 12th September 1930.

The Board considers that where property is devised subject to any recurring payment, such as an annuity, such payment clearly constitutes a charge on the property and deduction should therefore be allowed of such payments as well as of interest on any mortgage or other capital charge. The instruction in paragraph 33 A of the Income-tax Manual will be amended in due course.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
30 SEPT. 1932
Regd. No. 8817
File. No. To 3

26-9-32
Secretary, Central Board of Revenue.

All Commissioners of Income-tax.

J.P.S.

Copy of letter No.6459 C.T., dated the 30th August 1932, 2M/18
from the Commissioner of Income-tax, Bengal, to the Secretary, Central Board of Revenue, Simla.

Miscellaneous - Returns of income - copies of Assessees, members of firm or Hindu Undivided Family - Right to obtain.

In inviting a reference to Circular No. 19 of 1932, dated R.Dis.No.583-I.T./321
the 9th August, 1932, I have the honour to request you to let me know if sub-paragraphs "b" and "c" of Paragraph 2 of the Circular quoted above cover the cases of a firm after dissolution or of a Hindu Undivided Family after partition and if the individual partner or a member of the family, after dissolution or partition as the case may be, can be supplied with a copy of the return or other papers which were filed by the firm or the or the 'Karta' of the family before the dissolution or partition took place.

Copy of D.O.Dis.No.836-I.T./32, dated the ~~30th~~ 14th September, 1932, from Sir Alexander Tottenham, Kt. C.I.E., I.C.S., Member, Central Board of Revenue, to W.Johnston, Esq I.C.S., Commissioner of Income-tax, Bengal.

RETURNS OF INCOME - COPIES OF - ASSESSEES. MEMBERS OF FIRM OR HINDU UNDIVIDED FAMILY RIGHT TO OBTAIN.

Your letter No.6459-C.T. , dated 30.8.32.
2M/18

An ex-partner may be supplied with a copy of the return &c. relating to income of the firm in which income he had a share.

2. The manager of the Hindu Undivided family may be supplied with a copy of a return &c. relating to the period when he was manager, and any other adult member may be supplied with a copy of a return &c. relating to the income of any year in respect of which he was treated as representing the family.

D.Dis.No.836 (i)-I.T./32.
CENTRAL BOARD OF REVENUE.

Simla, the 21st September 1932.

Copy forwarded to all Commissioners of Income-tax (except Bengal) for information in continuation of the Board's circular No. 19 of 1932, dated the 9th August 1932.
R.Dis.No.583.I.T./32

By order, etc.,

Ram Nath
23-9-32
Secretary, Central Board of Revenue.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
1 OCT 1932
8824

SAK.23/9/32.

No. 7234 ccc
229C-1931.

Office of the Resident in Mysore,
Bangalore 26 Oct. 1932.

A copy each of the marginally noted papers is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil & Military Station, Bangalore. The Board's circular No. 19 of 1932/R.Dis.No.583 I.T/32, dated the 9th August, 1932, was communicated to him with endorsement from this office No. 5742, dated the 29th August, 1932.

S.N.13 Circular No. 26 of 1932/R.Dis.No.701-I.T./32, dated the 23rd September, 1932, of the Central Board of Revenue.
Endorsement D.Dis.No.836-(i)-I.T./32, dated the 21st September, 1932, with enclosures, S.N.14 from the Secretary, Central Board of Revenue.

S.N.4

o/c

for Secretary to the Resident
&
Commissioner of Income-tax.

BJ

CENTRAL BOARD OF REVENUE.

NOTIFICATION.

INCOME-TAX.

Simla, the 24th September 1932.

No. 45.—In exercise of the powers conferred by section 59 of the Indian Income-tax Act, 1922 (XI of 1922), the Central Board of Revenue directs that the following further amendment shall be made in the Indian Income-tax Rules, 1922, the same having been previously published as required by sub-section (*4*) of the said section, namely

"In the first column of the statement in rule 8 of the said Rules under the head *2 Machinery Plant or Furniture*' in the sub-entry specifying the machinery in respect of which the percentage on prime cost allowed is 10, before the words 'plant used in connection with brick manufacture' the word 'Typewriters' shall be inserted."

RAM NATH,
Secy., Central Board of Revenue.

R. Dis. No. 45|363-I.T.|32.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.

By order, etc.,

for *Secy., Central Board of Revenue.*

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
3 OCT 1932
Regd. No. 8852
File No.

H149CBR—1,000—27-9-32—GIPS

Draft.

No. 7062 Rev 1 Dated 25 Oct 32

Notification No.45, dated the 24th September, 1932 of the Central Board of Revenue.

A copy of the marginally noted notification is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

for SECRETARY TO THE RESIDENT
and
COMMISSIONER OF INCOME-TAX.

13-10-32

Rs 16/20

Conference of Commissioners of Income-tax—1932—Agenda—Item No. 16.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
12 OCT 1932
Regd. No. 9155
File. No.

Circular No. 27 of 1932.
R. Dis. No. 586-I.T.|32.

CENTRAL BOARD OF REVENUE.

Simla, the 29th September 1932.

CIRCULAR.

Limitation—Period of—Assessment order—time taken to obtain copy of—Indian Income-tax Act (XI-22)—Section 67-A.

Two points were raised with reference to this subject :—

(1) It was pointed out that though the statutory form B for an appeal under Section 32 does not require a copy of the assessment order to be filed with the appeal Section 67-A provides that in calculating the period of limitation for an appeal under Section 32, the time taken to obtain a copy of the assessment order shall be excluded. It was agreed that although the appellant is not bound to produce a copy of the order, he must be allowed time requisite to obtain a copy of it.

(2) It was asked whether the time requisite for obtaining a copy under Section 67-A included any time lost owing to the neglect or ignorance of the assessee, for example, owing to the fact that the first application for a copy was defective, or owing to delay on the appellant's part in taking delivery of the copy after it was ready.

2. As the Board remarked at the Conference, it is impossible to summarise the law on this subject. The officers concerned must consult text-books from time to time as may be necessary. Generally speaking, however, it may be said that the assessee is not entitled to claim that time lost owing to his own neglect should be excluded in computing the period of limitation. Whether time has been so lost is a question of fact to be determined by the authority to whom the appeal is presented. In the Board's opinion, it would be reasonable to exclude from computation time lost owing to genuine ignorance on the part of the assessee, unless the period involved was very excessive.

5-10-32

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

L156CBR—730—5-10-32—GIPS

D r a f t.

No. 7186 / Rel Dated 22nd Oct 1932.

R.V.C

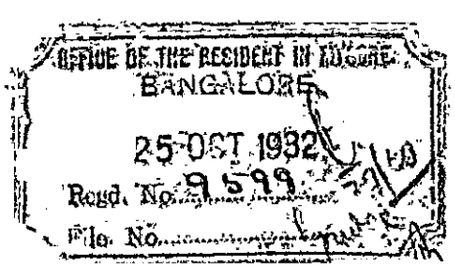
Circular No.27 of 1932/R.Dis.No. 586-I.T./32, dated the 29th September, 1932, of the Central Board of Revenue.

A copy of the marginally noted paper is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

15/10/32

for SECRETARY TO THE RESIDENT
and
COMMISSIONER OF INCOME-TAX.

15/10-32


OFFICE OF THE RESIDENT IN MYSORE
BANGALORE
25 OCT 1932
Regd. No. 9599
File. No.

Draft.

No. 7676 / 21 Dated 14th Nov. 32

P.U.C.

Endorsement No. Cir.No.30/C.No. 915-I.T./32, dated the 21st October, 1932 from the Secretary, Central Board of Revenue (with enclosure)

A copy of the marginally noted paper paper is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

for SECRETARY TO THE RESIDENT
and
COMMISSIONER OF INCOME-TAX.

5/11/32

Circular No. 28 of 1932.
R. Dis. No. 881-I. T./32.

CENTRAL BOARD OF REVENUE.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
31 OCT 1932
Regd. No. 9770

CIRCULAR.

New Delhi, the 20th October 1932.

Indian Income-tax Act, 1922 (XI-22)—Sections 26 and 34—Succession—Income of predecessor that has escaped assessment—Problems relating to—Views regarding.

C. B. R. Circular No. 22 of 1932.
R. Dis. No. 572-I. T./32, dated 10th August 1932.

Paragraph 2 of the Circular quoted above is cancelled. The Government of India have decided, on further consideration, that in all the cases referred to, assessment must be made on the successor, because the expression "previous year" in Section 26 (2) must refer to the "previous year" as defined in Section 2 (11) of the Act for the purpose of the assessment to be made, and not to the year previous to that in which the assessment is made, if that is different.

27.10.32

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

G1PD—438CBR—26-10-32—750.

(Conference of Commissioners of Income-tax, 1932—Agenda—Item No. 4.)

OFFICE OF THE RECIDENT IN MYSORE.
BANGALORE.
31 OCT 1932
Regd. No. 9771
File. No.

Circular No. 29 of 1932.
C. No. 573-I. T./32.

CENTRAL BOARD OF REVENUE.

CIRCULAR.

New Delhi, the 20th October, 1932.

Indian Income-tax Act (XI-22)—Section 48—Hindu Undivided Family or firm converted into a Limited Company—No dividends declared during the first year—Refund to Members or Shareholders.

At the recent conference, the question was raised whether the members of a registered firm, or Hindu Undivided Family, which has been converted into a limited company, with the same members as shareholders, can claim refund under section 48 in respect of their share of the income of the firm or family, as the case may be, during the year of succession, when the income of the firm or family was assessed under section 26(2) and no dividends were distributed in that year. The answer to the question is that individual members of the new private company, alike whether the preceding entity was a firm or a Hindu undivided family, have no claim to refund under section 48 as it stands, but will be entitled to a refund under section 48-A, should that section be enacted in the form proposed in clause 16 of the Indian Income-tax (Second Amendment) Bill, 1932.

RAM NATH,
Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

GIPD—439CBR—26-10-32—750

[R.O. 106 (a).]

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 12th Novbr. 1932

No. 7644 Enclos. 2

A copy each of the marginally* noted circulars is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

Circular* No.28 of 1932/R.Dis.No. 881-I.T./32, dated the 20th October, 1932,

Circular No.29 of 1932/C.No. 573-I.T./32, dated the 20th October, 1932,

from the Central Board of Revenue.

for Secretary to the Resident.
& Commissioner of Income-tax.

23—10-4-1931—5,000—RPB

A 571

FINANCE DEPARTMENT (CENTRAL REVENUES)

NOTIFICATION.

INCOME-TAX.

Simla, the 10th September 1932.

No. 42.—In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor General in Council is pleased to direct that the following further amendment shall be made in the Notification of the Government of India in the Finance Department (Central Revenues), No. 20-Income-tax, dated the 9th April 1932, namely :—

For clause (*a*) of the said notification the following clause shall be substituted, namely :—

"(*a*) For the purposes of any assessment to be made for the year ending the 31st March 1933 (or for the year ending 31st March 1934.) the rate of income-tax applicable to such part of the total income of an assessee as is derived from salaries or from interest on securities paid in the financial year 1931-32 shall be the rate applicable [under the operation of the Indian Finance Act, 1931, read with the proviso to sub-section (*1*) of section 7 or with sub-section (*1*) of section 8 of the Indian Finance (Supplementary and Extending) Act, 1931], to a total income equal to that of the assessee, and the rate of income-tax applicable to such part of the total income of the assessee as is derived from salaries or from interest on securities paid in any earlier financial year shall be the rate applicable (under the Indian Finance Act for the financial year in which such salaries or interest were paid) to a total income equal to that of the assessee."

A. H. LLOYD,
Joint Secy. to the Govt. of India.

C. No. 42|665-I.T.|32.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.

By order, etc.,

RAM NATH,
Assistant Secy. to the Govt. of India.

OFFICE OF THE INCOME TAX OFFICER
BANGALORE
5 OCT 1932
Regd. No. 9950
File. No. ...

H165CBR—670—31-10-32—GIPS

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
29 NOV. 1932
Regd. No. 10672
File. No. 229/31

Circular No. 31 of 1932.
C. No. 35-I. T/32.

CENTRAL BOARD OF REVENUE.

New Delhi, the 9th November 1932.

CIRCULAR.

DOUBLE INCOME-TAX RELIEF—CEYLON AND BRITISH INDIA.

NOTIFICATION No. 14: FINANCE DEPARTMENT (CENTRAL REVENUES), DATED 2ND APRIL 1932.

The following instructions are issued in regard to the grant of relief in British India in respect of income taxed in British India and in Ceylon.

A.—TAX.

It should be remembered that :—

(1) Under Section 45 (4) (*b*) (1) of the Ordinance, " Ceylon Tax " does not include, for purposes of relief either in India or Ceylon, the additional 2 per cent. charged on non-resident companies under Section 20 (6) of the Ordinance.

(2) " Ceylon Tax " does not include, for purposes of relief either in British India or Ceylon, tax on interest or other charges on income included in the Ceylon assessment [Ordinance Section 45 (4) (*b*) (*ii*)].

(3) " Indian Tax " includes personal Super Tax, both in India and Ceylon.

(4) " Indian Tax " in India includes Company Super Tax as regards companies themselves, but not as regards shareholders. Ceylon will adopt the same basis.

B.—" PART OF HIS INCOME " (INDIA).
" HIS INCOME FROM ANY SOURCE " (CEYLON).
Relief of half the smaller tax (both countries).

(1) As the British Indian Notification No. 14 (Finance Department—Central Revenues), dated 2nd April 1932, is drafted, relief is to be allowed in British India " on that part of the income on which relief is admissible under the Ceylon Income-tax law ". The practical result of this is that the expressions " part of his income " in the Indian notification, and " his income from any source " in the Ceylon Ordinance, refer to the same thing, and the British Indian relief is automatically regulated by the Ceylon relief.

The British Indian and Ceylon authorities alike will ignore in granting relief all differences between the computation of the income in the two countries due to—

(*a*) Certain expenses being allowed in one country and not in the other

(*b*) The allowances for depreciation being higher in one country than in the other.

(*c*) Depreciation being carried forward in one country and not in the other.

(*d*) Losses being carried forward in one country and not in the other.

(e) The fact that assessment is made on the " income arising " in one country and on " remittances " in the other.

(f) The fact that the assessments are based on different accounting periods in the two countries.

(g) Where a Tea Estate is taxed on 40 per cent. of its profits in British India and on the whole profits in Ceylon, there will be only one source of income from the Ceylon point of view and the relief allowed in each country will be half the lower amount of tax ignoring this difference in the basis of assessment.

(2) No relief can be given unless tax is paid for the same year in each country on the source in question, *e.g.*, in the first year of a business, tax will be levied on its profits in Ceylon but not in British India : in the year after a business ceases, its profits will be liable to tax in British India but not in Ceylon. No relief can be given in these cases.

C.—" ANY PERSON "

(1) In Ceylon, the income of married women is treated as that of their husbands. If the wife is separately assessed in British India, on the same income she will be entitled to relief in British India.

(2) *Partnerships.*—Ceylon charges tax on individual partners and not on partnerships at all. No difficulty will arise in British India in regard to registered Firms. If partners of an unregistered firm are assessed in Ceylon and the firm is assessed in India, the partners will be entitled to relief in British India and direct assessments should be made on them for the purpose.

SHAREHOLDERS.

(1) A resident in India has dividends from a Company in Ceylon from which Ceylon tax is deducted at source. He is assessed in India on those dividends, as may in certain circumstances happen now, and will happen more frequently if the Proviso to Section 4 (2) of the Indian Income-tax Act is amended as proposed.

He will be entitled to relief in India.

(2) A resident in Ceylon is a shareholder in an Indian Company and is taxed on its dividends in Ceylon. The Company is taxed only in India. Ceylon will regard him as having suffered Indian tax indirectly. He will be entitled to relief in India.

23-11-32

Secretary, Central Board of Revenue.

To

All Commissioners of Income-Tax.

GIPD—M490CBR—21-11-32—730.

Draft.

No. 8309 Ecl Dated 9th Dec 1932

p.u.c

Circular No.31 of 1932 dated
C.No.35-1 T/32,
the 9th November, 1932, of the
Central Board of Revenue.

A copy of the marginally noted circular is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

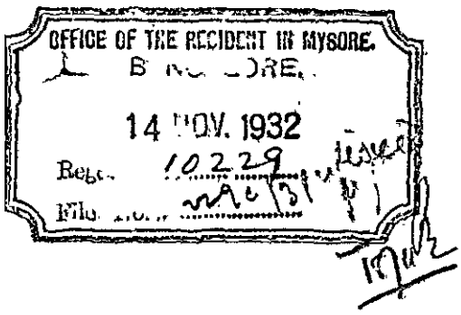
for SECRETARY TO THE RESIDENT
and
COMMISSIONER OF INCOME-TAX.

Draft submitted.

5-12-32

Typed.
8.12.32.

a
14/11



Circular No.32 of 1932.
R.Dis.No.905-I.T/32.

CENTRAL BOARD OF REVENUE.

New Delhi, the 10th November 1932.

Exemption from income-tax and super-tax—
Rent-free quarters.

It has now been decided that though the question what is the value of a perquisite consisting of the right to occupy an official residence rent-free is one of mixed law and fact to be decided by the Income-tax authorities with reference to the circumstances in each case, instructions should be issued that as a general rule the value of such a perquisite should be taken to be the standard rent fixed by the P.W.D. subject to the usual maximum of 10% of the occupant's salary.

10. 11. 32,
Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

SBS.

No 8093 30th Nov. 932
Gen 1

Circular No.32 of 1932 dated the
R.Dis.No.905-I.T/32
10th November, 1932, from the
Central Board of Revenue.

A copy of the marginally noted paper is forwarded to the Collector and Assistant Commissioner of Income-tax, C. & M. Station, Bangalore, for information.

for SECRETARY TO THE RESIDENT AND
COMMISSIONER OF INCOME-TAX.

18-11-32

Rec 21/11
Rep 29/11

Circular No.33 of 1932
T.No.556-I.T/32

CENTRAL BOARD OF REVENUE.

CIRCULAR.

New Delhi, the 18th November 1932.

Trusts—super-tax—assessment to of trusts income and beneficiaries income respectively.

Where the entire income of a Trust is assessed to super-tax in the hands of the trustees and the income of any beneficiary is also liable to super-tax the beneficiary should be assessed to super-tax on such income including his share of the income of the Trust, but no demand should be issued in respect of the super-tax on his share of the income of the Trust pending the decision of the appeal to the Privy Council in the case of The Currimbhoy Trust.

18: 11. 32.
Secretary, Central Board of Revenue.

OFFICE OF THE RESIDENT IN MYSORE
BANGALORE
23 NOV 1932
Regd. No. 10523

All Commissioners of Income-tax.

SBB

Draft.

No. 8124 Dated 18-Dec.-1932

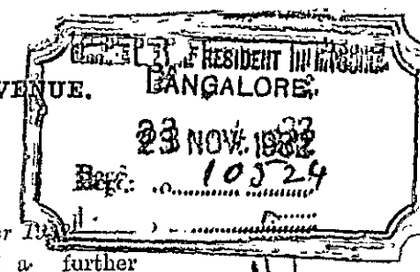
p.u.c.

Circular No.33 of 1932/C.No.556-I.T./32, dated the 18th November, 1932 of the Central Board of Revenue.

A copy of the marginally noted paper is forwarded to the Collector and Assistant Commissioner of Income-tax Civil and Military Station, Bangalore.

for SECRETARY TO THE RESIDENT
and
COMMISSIONER OF INCOME-TAX.

26.11.32



CENTRAL BOARD OF REVENUE.

NOTIFICATION.

INCOME-TAX.

New Delhi, the 12th November 1932.

No. 53.—The following draft of a further amendment to the Indian Income-tax Rules, 1922 which the Central Board of Revenue proposes to make in exercise of the powers conferred by sub-section (*1*) of section 59 of the Indian Income-tax Act, 1922 (XI of 1922) is published as required by sub-section (*4*) of the said section for the information of all persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration on or after the 22nd December 1932. Any objection or suggestion which may be received in respect of the draft before the date specified will be taken into consideration by the said Board.

Draft Amendment.

For rule 27 the following rule shall be substituted, namely:—

"27. Credit shall be given to the company at each annual assessment for the average amount of Indian Income-tax deducted at source from the interest on investments taken into account in making the computation of income, profits and gains under Rule 25 and if the tax so deducted exceeds the tax on the income, profits and gains thus calculated, a refund may be permitted of the amount by which the deduction from interest on investments exceeds the tax payable on such income, profits and gains."

RAM NATH,
Secy., Central Board of Revenue.

No. 53/C. No. 751-I. T./32.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.

By order, etc.,

18.11.32

for *Secy., Central Board of Revenue.*

GIPD—472CBR—15-11-32—350

D r a f t.

No. 8125 Dated 18th Dec. 1932

p.v.c.

Notification No.53, dated the 12th November, 1932 of the Central Board of Revenue.

A copy of the marginally noted paper is forwarded to the Collector and Assistant Commissioner of Income-tax Civil and Military Station, Bangalore.

for SECRETARY TO THE RESIDENT
and
COMMISSIONER OF INCOME-TAX.

28.11.32

C. No. 1011-I. T./32.

CENTRAL BOARD OF REVENUE.

New Delhi, the 21st November 1932.

Indian Finance (Supplementary and Extending) Act, 1931—Schedule I. A.—Proviso to paragraph 2—Summary assessments—No application for cancellation—Returns of income received—Procedure to be followed.

Your D. O. No. 860/32, dated 16th November 1932.

MY DEAR SENNECK,

You ask what should be done if persons on whom summary assessments have been made fill in and send to the Income-tax Officer the form of return supplied with the demand notice, without preferring a formal objection against the assessment and whether such returns should be treated as having been made under section 22 (2). As you say strictly they should not, as the proviso to paragraph 2 of schedule I. A. of the Supplementary and Extending Act does not contemplate the submission of a return except by " an assessee making such application "—*i.e.*, an application for cancellation or revision of the assessment.

2. I consider that if a *prima facie valid* return is made in such circumstances the person submitting it should be assumed to have intended to make an application for cancellation or revision of the assessment and the return should be treated as one made under section 22 (2). A return that is invalid should be ignored.

Yours sincerely,

A. TOTTENHAM.

F. H. Senneck, Esq., I.C.S.,
Commissioner of Income-tax, Madras.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
3- DEC. 1932
Regd. No. 10837
File. No.

CIRCULAR NO. 34 OF 1932.
R. DIS. No. 1011-I. T./32.

Copy forwarded to other Commissioners of Income-tax.

By order, etc.,

28-11-32

Secretary, Central Board of Revenue.

GIPD—584 CBR—26-11-32—730.

Draft.

No. 8458 Civil Dated 15th Dec. 1932

Circular No.34 of 1932/R/Dis.No.1011 I.T./32, dated the 21st/28th November, 1932, from the Secretary, Central Board of Revenue.

A copy of the marginally noted paper is forwarded to the Collector and Assistant Commissioner of Income-tax Civil and Military Station, Bangalore

10/12/32

for SECRETARY TO THE RESIDENT
and
COMMISSIONER OF INCOME-TAX.

Draft submitted.

10/12/32

Rcd.12/12.
Typed.14/12.

FINANCE DEPARTMENT (CENTRAL REVENUES).

NOTIFICATION

INCOME-TAX.

New Delhi, the 26th November 1932.

No. 54.—In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor General in Council is pleased to direct that the following amendment shall be made in the Notification of the Government of India in the Finance Department (Central Revenues), No. 14 (Income-tax), dated the 2nd April 1932, namely:—

In paragraph (2) of the said notification after the words "for the corresponding year in Ceylon" the words "on the same part of his income" shall be inserted.

A. TOTTENHAM,
Joint Secy. to the Govt. of India.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
- 9 DEC. 1932
Regd. No. 11025
File. No. 229 C/31

No. 54—C. No. 705-I. T./32.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.

Copy also forwarded to the Department of Education, Health and Lands.

By order, etc.,

Asstt. Secy. to the Govt. of India.

GIPD—587CBR—2-12-32—400.

Draft.

No. 533 / a 1 Dated 21st Jan. 1933

p.v.c.

Notification No.54, dated the 26th November, 1932, of the Government of India, Finance Department (Central Revenues).

A copy of the marginally noted notification is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

for SECRETARY TO THE RESIDENT.
and
COMMISSIONER OF INCOME-TAX.

16th Jan 33

Rd. 8/1 21/1/33

CENTRAL BOARD OF REVENUE.

NOTIFICATION.

INCOME-TAX.

New Delhi, the 26th November 1932.

No. 55.—The following draft of a further amendment to the Indian Income-tax Rules, 1922, which the Central Board of Revenue proposes to make in exercise of the powers conferred by sub-section (*1*) of section 59 of the Indian Income-tax Act, 1922 (XI of 1922), is published as required by sub-section (*4*) of the said section for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 2nd January 1933. Any objection or suggestion received in respect of the draft before the date specified will be considered by the said Board:—

Draft Amendment.

In clause (*h*) of rule 15 of the said Rules for the words "Chief Examiners of Accounts", the words "Chief Accounts Officers" shall be substituted.

RAM NATH,
Secy., Central Board of Revenue.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
- 9 DEC 1932
Regd. No. 1027
File. No. 229431

No. 55—C. No. 839-I. T./32.

Copy forwarded to all Commissioners of Income-tax and the Chambers of Commerce, the Auditor General, the Railway Department and the Controller of Railway Accounts.

By order, etc.,

for *Secy., Central Board of Revenue.*

CIPD—586CBR—2-12-32—465.

CENTRAL BOARD OF REVENUE.

NOTIFICATION.

INCOME-TAX.

New Delhi, the 26th November 1932.

No. 56.—In exercise of the powers conferred by section 59 of the Indian Income-tax Act, 1922 (XI of 1922), the Central Board of Revenue directs that the following further amendment shall be made in the Indian Income-tax Rules, 1922, the same having been previously published as required by sub-section (4) of the said section, namely:—

In the statement in rule 8 of the said rules, under the head "2. *Machinery, Plant or Furniture*"—

(1) In the first column of the sub-entry specifying the plant in respect of which the percentage on prime cost allowed is 10 after the words "plant or machinery used in the manufacture of coke" the words "machinery used in the manufacture of concrete pipes" shall be inserted.

(2) After the sub-entry "motor cars used solely for the purpose of business, indigenous sugarcane crushers (*Kohlus or Belans*)" the following sub-entry shall be inserted, namely:—

"moulds used in the manufacture of concrete pipes	16".

RAM NATH,
Secy., Central Board of Revenue.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
- 9 DEC. 1932
No. 11026
File. No. 289 C/31 9/12

No. 56—R. Dis. No. 636-I. T./32.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.

By order, etc.,

for *Secy., Central Board of Revenue.*

GIPD—585CBR—2-12-32—330.

CENTRAL BOARD OF REVENUE

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
13 DEC. 1932
Regd. No. 11,165
File No. 229 I/31

NOTIFICATION

INCOME-TAX.

New Delhi, the 3rd December 1932.

No. 57.—The following draft of a further amendment to the Indian Income-tax Rules, 1922, which the Central Board of Revenue proposes to make in exercise of the powers conferred by sub-section (*1*) of section 59 of the Indian Income-tax Act, 1922 (XI of 1922), is published as required by sub-section (*4*) of the said section for the information of all persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration on or after the 15th January 1933. Any objection or suggestion which may be received in respect of the draft before the date specified will be considered by the said Board.

Draft Amendment.

In the statement in rule 8 of the said Rules, under the head "2.—*Machinery, Plant or Furniture*", in the sub-entry in the first column specifying the machinery in respect of which the percentage on prime cost allowed is 7½ after the words "Cement Works using rotary kilns" the words "plant and machinery used for the manufacture of wire and wire nails" shall be inserted.

RAM NATH,
Secy., Central Board of Revenue.

No. 57—C. No. 965-I. T./32.

Copy forwarded to all Commissioners of Income-tax and Chambers of Commerce.

By order, etc.,

for *Secy., Central Board of Revenue.*

GIPD—597CBR—12-12-32—370.

D r a f t.

No. 69 / Ext-3 Dated 5-9 Jan. 1933

P.W.C. I-III

Notification No.55, dated the 26th November, 1932,

" No.56, -do-

" No.57 dated the 3rd December, 1932,

of the Central Board of Revenue.

A copy each of the marginally noted notifications is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

for SECRETARY TO THE RESIDENT
and
COMMISSIONER OF INCOME-TAX.

No. 621 -I.

GOVERNMENT OF INDIA.

Foreign and Political Department.

New Delhi, the 8th December 1932.

NOTIFICATION.

In exercise of the powers conferred by section 60A of the Indian Income-tax Act, 1922 (XI of 1922), as applied to Berar, to the Civil and Military Station of Bangalore and to the District of Abu, the Governor General in Council is pleased to apply mutatis mutandis to Berar and to the said Station and District the modifications in respect of income-tax made by the Notification of the Government of India in the Finance Department (Central Revenues) No. 14 dated the 2nd April 1932 under section 60 of the said Act as in force in British India, and to direct that in its application to Berar and to the said Station and District the said notification shall be subject to any amendments to which it is for the time being subject in British India.

OFFICE OF THE RESIDENT IN MYSORE
BANGALORE.
14 DEC. 1932
Regd. No. 11.9.08
File. No.

(SD.) C. C. WATSON,

Political Secretary to the Government of India.

Copy to the Chief Secretary to the Govt. of C.P., the Hon'ble the Resident in Mysore, the Hon'ble the A.G.G. in Rajputana, for information.

Copy forwarded to the Central Board of Revenue.

By order, etc.,

Assistant Secretary to the Government of India.

[R.O 105 (a).]

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 11th January, 193 3.

No. 231 Enclos. 1
229 of 1931

A copy of the marginally* noted ~~letter with enclosure~~ notification is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore,

*Notification No.621-I., dated the 8th December, 1932, of the Government of India, Foreign and Political Department, New Delhi.

for Secretary to the Resident.
&
Commissioner of Income-tax.

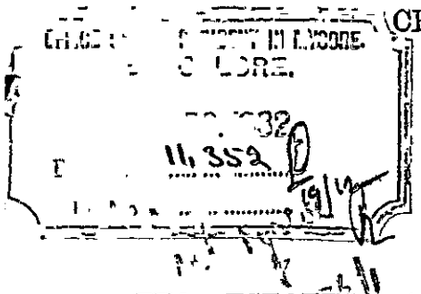
23—10-4-1931—5,000—EPB

Draft for approval.

K Narayan 5-1-33.

Circular No. 37 of 1932.
R. Dis. No. 577-I. T./32.

CENTRAL BOARD OF REVENUE.



New Delhi, the 7th December 1932.

CIRCULAR.

TEA ESTATES—"SUPPLYING" OR "INFILLING"—ABANDONED AREAS—EXPENDITURE ON—CAPITAL OR REVENUE EXPENDITURE.

The Board has carefully considered the questions relating to the classification, for the purposes of section 10 (2) (*ix*) of the Indian Income-tax Act (XI of 1922) as 'capital' or 'revenue' expenditure, of certain items of expenditure on tea gardens. These questions were discussed at the Conference of Commissioners of Income-tax held in August 1932, at Calcutta, and subsequently with the General Committee of the Indian Tea Association on the 16th of the same month. Subsequently, the Committee were good enough to furnish the Board with a printed Memorandum on the subject.

2. Their views may be summarized thus :—

(*a*) *General.*—Revenue expenditure is any expenditure incurred in maintaining the productivity of a given area at such level as might reasonably be expected. Expenditure on an increase of area to secure an increased yield is capital expenditure. Since depreciation is not allowed on a tea garden (*i.e.*, on the bushes) all expenditure required to maintain the maximum revenue-earning capacity of the property is revenue expenditure since it is expenditure incurred in earning profits.

(*b*) *Original outlay on garden account.*—In the initial stages, *i.e.*, until the tea has reached maturity (we are not here concerned with buildings and plant) all expenditure is capital expenditure. Any revenue from sale of tea at this stage is placed against block expenditure.

(*c*) *Extensions.*—If an extension increases the original area, expenditure on it is to be regarded as capital expenditure, and not otherwise, though the Company itself may debit such expenditure to revenue.

(*d*) *Replanting or planting in replacement of an abandoned area.*—Replanting of an abandoned area, or planting a fresh area to replace such an area, and of the same extent, including all preliminary clearance, etc., is revenue expenditure.

(*e*) "*Infilling*" (*or* "*supplying*").—This may be necessary alike on immature and mature areas. It involves the replacement of bushes that have died or become unproductive or for other reasons require replacement. Such operations are as essential to maintaining the productivity of the property as other recurring operations, such as weeding, draining, etc. Hence their cost should in all cases be treated as revenue expenditure. The Vallambrosa case (U. K. Official Reports of Tax Cases, Volume I, page 529) supports this view. A reference is also made in this connection to paragraph 2 of the Instructions on page 123, Income-tax Manual (Fourth Edition), which, however, merely states that the cost of *upkeep* (*e.g.*, weeding and draining) of an area that is not in bearing may be charged to Revenue.

3. The Board's views in regard to this subject are based on certain general principles. (1) In the first place, it adheres to the principle just quoted from the Instructions in the Income-tax Manual. It is that principle that the decision in the Vallambrosa case appears to the Board to establish. It considers, therefore, that proposition (*b*) in paragraph 2 above is unduly favourable to the revenue and unfavourable to the assessee in so far as it classifies as capital expenditure, expenditure on the maintenance of an area that has not reached maturity. The Board would classify this like all expenditure on *maintenance*, as revenue expenditure. On the other hand, any income derived from the sale of tea at this stage is on the same footing as income from the sale of tea at any other stage and should be taken into account in computing the taxable income of the concern.

4. (2) In the second place, the Board considers that any expenditure that creates a potential source of recurring revenue, at whatever stage in the development or working of the Estate, is capital expenditure. The source of revenue in the cases under consideration is the tea-bushes, and whenever a bush is planted, a potential source of revenue is created. The Board holds that it is the individual bush that must be considered, not an area planted with such bushes. The analogy of a herd of milch cows which is actually employed by the Lord President in the Vallambrosa decision seems to the Board (if it may say so with respect) entirely valid. If an assessee conducting a milk business buys cows to take the place of those that have died or become past yielding milk, the expenditure on those cows cannot be treated as revenue expenditure simply because the number of the herd as a whole has not been increased.

5. To this it may be objected that under section 10 (2) (*viii*) (*a*) the owner of the herd could claim as an expense the difference between the original cost of the cows that had died or become useless and what may be called their scrap value.

This leads to the Board's next proposition.

(3) The fact that a depreciation or obsolescence allowance, or an allowance like that provided for in section 10 (2) (*viii*) (*a*) are not allowed in respect of tea bushes, has no bearing whatever on the question whether certain expenditure is capital or revenue expenditure. It may have a bearing on the question whether the law is equitable. That is a distinct matter.

6. From these principles it follows that for "Income-tax purposes", the cost of infilling or supplying should in all circumstances be treated as capital expenditure, and *a fortiori* the cost of all replanting of abandoned areas or planting of areas to replace such areas should also be treated as capital expenditure. Even if the Board's principle that it is the individual bush and not the Estate as a whole that is to be considered in deciding whether a certain operation is upkeep of a source of revenue or creation of a source of revenue is not accepted, it seems abundantly clear that expenditure on the replanting of an area that has been abandoned or the planting of a fresh area to replace it is capital expenditure.

7. The words of Lord Maclaren in the case of the Granite Supply Association (U. K. Official Reports of Tax Cases, Volume V, at page 171) in regard to a similar question relating to buildings are very apposite. He said that if an assessee's premises "are burned down and he has to replace the buildings, he could not be allowed to charge the new building against the income of the year, although the putting of it up does not add to the value of his property but merely enables it to maintain its original value".

3/12/32.

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

GIPD—M620CBR—12-12-32—730.

[R.O. 106 (a).]

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 28th January, 1933

No. 580 Enclos. 1

P.U.C.

A copy of the marginally* noted circular is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

*No. Circular No.37 of 1932/R.Dis.No.577-I.T./32, dated the 7th December, 1932 of the Central Board of Revenue.

for Secretary to the Resident.
&
Commissioner of Income-tax.

23—10-4-1931—5,000—RPB.